

RAPID FIELD REVIEW OF ALTERNATIVE DEVELOPMENT ACTIVITIES IN YUNGAS AND CHAPARE

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Prepared by:

Principal Authors:

R. Archi, Team Leader

J. Rosholt, Deputy Team Leader

Carlos Toranzo

Contributors:

Clem Weber

Pat Martin

Maria Eugenia Vera

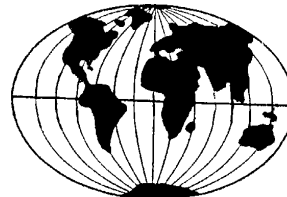
Silvia Fernandez

Gregorio Cardona

Carlos Ramos

Peter Davis

Ed Dennison



Submitted by:

Development Associates, Inc.

1730 North Lynn Street

Arlington, VA 22209-2023

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EXECUTIVE SUMMARY

On Sept. 17, 2003 USAID/Bolivia contracted with Development Associates to carry out a Rapid Field Review/Assessment of USAID/Bolivia's Alternative Development Programs with a focus on providing future program guidance and lessons learned. Given events and circumstances in Bolivia, it was necessary to take a highly flexible approach. Ultimately a team of U.S. and Bolivian experts were able to complete the fieldwork and this voluminous report. Since the area covered is vast, the issues complex and the lessons are many, a standard Executive Summary would be too long to be useful. In light of this, the team has extracted and summarized here the recommendations and lessons learned.

The field work for this assessment was largely carried out from mid November to late December of 2003. The methodology that was utilized consisted of two principle facets. First, a rigorous review of project documents was conducted in order to track the evolution of objectives, indicators and achievements of Alternative Development funded activities in Chapare and Yungas. (Note: Throughout this assessment "Chapare" refers to the Tropics of Cochabamba – TOC. The terms are used interchangeably, as is the practice in Mission and Contractor documents.) Second, an extensive series of meetings – some 125 involving approximately 400 respondents – was conducted with agricultural producers, private sector spokespersons and representatives of municipal institutions of all municipalities in Yungas and TOC. (See Chapter I, Introduction and Methodology for details.)

The team would like to thank the staff of USAID, Contractors and the people of many communities that were visited. It is our hope the report will help USAID help them to a better quality of life.

The findings and recommendation contained in this assessment do not reflect the views of the United States Government.

A. RECOMMENDATIONS

1. GENERAL RECOMMENDATIONS FROM CHAPTER I: INTRODUCTION

The following sections highlight the need for:

- ▶ Programs that strive for "participation" from a different perspective of community and social partnership, not as mere beneficiaries.
- ▶ Programs that are based on proper intelligence to sense changes in demand.
- ▶ Programs that are more flexible in their design and implementation and capable of adjusting to the varying nature of the demand.
- ▶ Programs that can adjust rapidly to changes in target group requirements.
- ▶ Programs that are based on a very high level of coordination with other Country Team elements, such as the Civic Action Program and NAS eradication efforts.

- ▶ Production programs that involve a significantly greater degree of private sector participation.
- ▶ Programs that have clear requirements and impact regarding sustainability.
- ▶ Policies and strategies that increase the accountability and participation of Other Donors and the Government of Bolivia.
- ▶ Formulation of an evaluation framework based on objectives, strategies and indicators that go well beyond the current array of such factors, and which embraces the new expansive directions the Mission has embarked upon. In addition, the discussion in e Chapter IV on “A Bolivian Perspective” t calls for a broad systematic view of alternative development that includes increased sustainable agricultural production, embracing measures regarding improved social well being and, in effect, inclusion should be noted. A survey of the population in both regions would be an important point of departure for this sort of effort. Principal areas of concern for this sort of survey are contained in Chapter IV of this assessment.

2. RECOMMENDATIONS FROM CHAPTER II: AGRICULTURAL PRODUCTION

General

The Assessment Team strongly recommends that CONCADE and follow-on project reports be structured in two parts: one showing progress along the farm to market chain for each crop, and another showing fulfillment of results indicators.

So1 - Sustainable Farm-Level Production Capacity for Licit Crops Established

Recommendations

- ▶ Solve tutor and drying problems for black pepper (Check Yungas C23 coffee drying for use in improving quality.)
- ▶ Passion fruit: solve tutor/wire cost problem
- ▶ Pineapple: develop more suitable packing materials/cartons, and increase emphasis on pest control,
- ▶ Palm Heart: seek solutions to plant density and fertilization problems

The question of “have we done enough” should be reviewed crop-by-crop and organization-by-organization, and the decisions on the type and amount of continued assistance should be clearly established and definitely more participatory.

The Assessment Team recommends that the on-going production credit activity be expanded using incentive funds in the same manner as recommended for investment credit. (See Result 4).

Recommendation: Results 1.1 The Quantitative Evaluation of DAI activities concluded that this indicator included those who had received different levels of technical assistance and that a better indicator would be a direct measure of those farm families that have applied AD-promoted technology on some minimum amount of land. The Assessment Team concurs in this recommendation.

Recommendations: Results 1.2 The Assessment Team recommends that attempts be made to separate plantains from bananas in the satellite survey. Plantains require less post harvest infrastructure. The existence of the AD road network in the Chapare makes it possible for truckloads of plantains to leave the Chapare daily with minimal AD assistance.

Therefore, it is recommended that, in addition to measuring areas of crops, future programs use the same satellite imagery to carry out surveys using area sample frame techniques to determine present and future yields of the selected crops.

Also, it is recommended that surveys be periodically conducted to determine market prices of the selected crops, which would allow for reasonably accurate projections of total value of crops being grown in the Chapare.

SO3 - Alternative Development Organizations Strengthened

Recommendations: The Assessment Team found that the situation varies for each crop. Therefore, it is recommended that an analysis be made of the groups of organizations for each crop in order to reach an agreement on how much additional assistance is required.

Older associations can provide assistance to newer associations and a methodology to encourage this self-help should be considered.

Helping farmers to form private SRL companies like EMCOPAIVE in lieu of associations should also be considered. It is faster, less expensive, and brings them closer to the practice of private enterprise. (This should be considered for black pepper growers.)

The Team also found that many farmers do not belong to associations and sell products directly to truckers for local markets. A strategy must be developed to provide or expand production and post harvest training to this group.

SO2 - Commercially Sustainable Market Linkages Established for Licit Products

The Quantitative Evaluation of DAI activities pointed out: “One of the requirements as defined in the PMP is that an agro-business must have at least \$25,000 annual gross sales.” This requirement cannot always be determined, and should be eliminated.

Recommendations

- Increase emphasis on expanding local market for passion fruit to replace imports of concentrate.
- Reduce favoritism and paternalism with UNABANA, which is upsetting the free enterprise system for exports. Other exporters need more bananas.

- Significantly expand efforts to assess markets for Chapare products, placing additional emphasis on analyses for new crops such as camu camu, achiote (Seek lessons from Yungas experience), cacao and Chapare coffee.
- Tropical flowers: same as the preceding item, plus lessons from MAPA in Cochabamba valley.
- Palm heart: assist processors and producers resolve pricing issues and develop collaborative relationship among them.

Recommendations: Results 2.2 Investigate ways to lower the costs and improve quality of inputs. For example, all associations should combine their efforts for purchasing fertilizers. Volume purchases would lower prices.

An t study is needed urgently to determine the costs of harvesting, processing, and transportation of palm heart. The end user, wholesale and retail prices should also be investigated. How much profit is being made by the broker in Buenos Aires, who supplies wholesalers in Europe with Chapare palm heart?

SO4 - Private sector investment and agriculturally based industries stimulated

Recommendations: Credit: Some successful examples from other countries should be identified and analyzed. These might include providing commercial banks with a fund for loans to Chapare investors at commercial rates and the bank earns the interest; or a discount system where a bank receives “x” percent upfront to offset losses from loan defaults. Alternatively, incentive funds could be used to buy insurance to offset those losses.

Recommendation: Result 4.2. Certainly the economic activity and growth associated with CONCADE induced development within the region has generated non-farm jobs, either directly or indirectly, besides those in the agribusiness sector. Greater efforts should be undertaken to measure such impacts with a view to enhancing this natural and unguided spin-off.

Specific Objective No. 6: Emergency Stabilization Support:

The leaders of all organizations receiving subsidies should be invited to participate in a seminar to addresses the issue of reducing subsidies. Moreover, these and other regional leaders must participate in the planning and implementation of follow-on programs so that they themselves can plan how subsidies are to be replaced with their own contributions.

B. LESSONS LEARNED

The discussion of lessons learned in this section is limited to those that are considered to be most important to agricultural production and marketing activities in the Chapare. For the most part, these lessons are not new. In one form or another, they are the hallmarks of successful approaches that have been distilled from decades of development experience. In this regard, most successful approaches will, at a minimum, possess the following qualities:

- ▶ Have good potential to produce lasting impact.
- ▶ Promote development without creating or perpetuating dependency.

- ▶ Ensure community and beneficiary participation, commitment and incorporate means to ensure activities are demand/need driven.
- ▶ Incorporate proven measures, tools and approaches to strengthen the institutional capacities of local groups and organizations.
- ▶ Have a means to achieve validity with local officials, community leaders and organizations in politically sensitive and conflictive areas.

1. PARTICIPATORY APPROACH

Clearly one of the most salient lessons learned from the AD programs in the Chapare and Yungas is the need to make the approach to AD more participatory and collaborative, from the design stage through implementation and institutionalization. Good examples of how this can lead to success are the AMVI experience in the Chapare, the Yungas specialty coffee activity, and more recently, the 180-degree turn-around in client perceptions of the CONCADE technical assistance program resulting from the shift to a more participatory approach. The approach to agricultural production and marketing in the future needs to do much more to ensure community and beneficiary participation, gain their commitment, and ensure that activities are demand driven.

2. AVOID DEPENDENCY AND USE OF SUBSIDIES

The extensive use of subsidies in the Chapare has distorted the economic reality and created a huge dependency on CONCADE to keep many activities afloat. To the extent possible, these dependencies must be eliminated in a manner that will allow productive enterprises to withstand market forces. Where this is not possible, the enterprises must be allowed to suffer their natural economic fate. In the future, subsidies should be used very judiciously and limited to those cases in which there is clear evidence that they can be used without creating permanent dependency.

3. DO THE HOMEWORK AND PROMOTE INTERVENTIONS/ENTERPRISES WITH GOOD POTENTIAL TO PRODUCE LASTING IMPACT

The Yungas specialty coffee activity is a good lesson in this respect. A high probability of success was determined before promoting and implementing the activity. This involved identifying the market and the constraints to access faced by Yungas producers and ensuring that these constraints could be overcome with interventions that were not beyond the capability of the clients and acceptable to them. Citrus (not under CONCADE) in the Chapare is a good example of how not to do it. Because the homework was not done prior to establishing production, it is now faced with a whole gamut of problems from disease to lack of markets and will require a huge investment in correcting mistakes before the industry can be turned around.

4. KEEP IT SIMPLE

Some of the most successful examples in agricultural production and marketing are based on simple interventions. The initial expansion of the domestic market for bananas resulted from a simple improvement in quality through readily applicable changes in post harvest handling. The installation of cable systems is the single most important contribution to the production of export quality bananas. Exports to Argentina initially failed due to the simple (in terms of defining the constraint) lack of adequate transport facilities in the form of roads and refrigerated containers.

Future AD interventions in agricultural production and marketing in the Chapare should focus on simple rather than complex solutions. The obstacles faced by Chapare agriculture are huge and risks are inherently higher when complex, high tech, high cost interventions are embarked upon. At a minimum, any complex activities under consideration should be thoroughly tested on a small scale before promoting them generally.

5. RECOGNIZE AND ACCEPT MISTAKES, DISCONTINUE BAD INVESTMENTS AND MOVE ON

There are numerous examples of interventions involving the five primary crops where problems were encountered due to embarking on initiatives with a low probability of success. These problems were then aggravated by trying to solve them with subsidies. The cost of Alternative Development is high enough without adding the burden of a heavy load of non-productive activities. The political and public relations costs of letting go of this burden must be managed and made acceptable. The recommendation made earlier in this chapter regarding Mission sponsorship of a public-private sector workshop on this matter could be an instrument toward resolution. Inherently it would be characterized and managed as a participatory approach to a problem that affects potential beneficiaries by unnecessarily draining resources that could be applied to more productive ends. The outcome sought should clearly avoid a clear distinction between winners and losers, in terms of those whose subsidies may be terminated and those who may benefit by such termination. A major selling point to be considered could be that amounts of funds approximating the amounts resulting from termination of subsidies (although fungible) would be identified and directed to community level activities as well as alternative productive activities in “losing” communities.

6. GO WITH THE WINNERS

The C23 activity has demonstrated that investments in the promotion of pasture rehabilitation pays off in terms of returns to AD clients and that the C23 program has the institutional capability to implement these activities. These lessons learned should be expanded with continued AD investments in these activities into the future. (See Chapter II. 1, discussion of SO 1 and 3, final paragraphs for further details.)

7. INFRASTRUCTURE INVESTMENTS

Clearly the investments in roads, energy and other public (community) infrastructure have had a very high payoff in both the Yungas and the Chapare, in both economic and social terms as well as in improving the institutional image of AD. Also, agricultural production and marketing infrastructure has proven to be one of the most practical ways to increase productivity and competitiveness of Chapare products. Such investments in “public goods” could enhance the investment climate, help to moderate risk perception, and begin the process of getting investors to be more comfortable with somewhat longer horizons for recuperating investments. Future AD interventions should consider and fund these types of investments where similar benefits/returns can be generated.

8. TECHNOLOGY TRANSFER

It is well known worldwide that efforts to establish sustainable, private sector mechanisms for agricultural technology transfer under the best of circumstances have been marginally successful. Even in the developed world, it is difficult to find 'successes' that do not receive some type of outside support or subsidy. In the developing world, such cases are rare indeed and seldom of a scale and diversity comparable to that required to meet the needs of the Chapare. Any such mechanisms that have demonstrated potential for sustainability over the medium term, in most cases, have been heavily endowed up front and benefit from special allowances afforded them by the national government. The Valles Foundation supported by the MAPA project is an example of such an entity or mechanism. The very limited success of the CONCADE approach to significantly increase technology transfer capacity, particularly with any degree of sustainability, given the challenges of the Chapare, should come as no surprise. In short, the lessons of the past are that neither the private sector nor the government can establish and sustain an effective system alone. It must be a joint effort. An appropriate private/public sector approach needs to be defined for the Chapare. The participatory element incorporated into current CONCADE technology transfer efforts is only one of the essential ingredients.

C. RECOMMENDATIONS FOR CONCADE SUCCESSOR PROGRAM (CHAPTER II)

Decisions with respect to activities for inclusion in the transition program and the CONCADE successor program should be based on the following key findings of this assessment regarding the agricultural production and marketing program: The fundamental limitation of the CONCADE program in agriculture lies not in 'what was being done', but rather in 'how it was being done' in terms of both the technical focus and the approach used. Clearly, the enabling environment was not conducive to the success of many of the production and marketing activities promoted under CONCADE. The full array of constraints (technical, economic, financial, social and political) of this environment needs to be given much more consideration for a better balanced approach for future endeavors. (Also, see Chapter IV, A Bolivian Perspective in this regard.) Also, more realism with respect to the probability of reducing or overcoming these constraints should be factored into decisions on the content and focus of future activities.

1. TRANSITION PROGRAM (SHORT-TERM)

At this time, given the revamping (Modification 17) of DAI's agricultural and marketing activities, it is too soon, for the most part, to make determinations of what DAI implemented activities be continued or not. In addition, political factors should be included in the decisions regarding program component termination. There are several reasons for this concern. First, by definition the rural poor and small farmer beneficiaries live in precarious economic circumstances. As noted often in this assessment, there is a great degree of dependence on AD activities on the part of many of these beneficiaries, and much more so if subsidies are involved. Terminating programs that would directly affect such beneficiaries would send incorrect signals, could be grist for the political propaganda mill, and possibly blunt the latent interest in AD of those who are considering embracing it. In short, such considerations are not parochial technical matters, and need to be handled with the utmost sagacity and political tact. Thus for now, all on-

going activities should be considered as potentially forming part of the transition program in either their current mode of operation or in an evolved manner.

In addition, the assessment identified a number of activities that should be included in the transition program, either because they technically merit continuation, or because they are needed to resolve issues and facilitate the transition. The following list of activities should be made part of the transition program. Some are short-term undertakings that should be completed before the transition is made and others are longer-term propositions that should continue in the CONCADE follow-on program. This list consists only of activities of special importance to meet specific needs identified through the assessment fieldwork. As pointed out above, many of the on-going activities will need to be continued during the transition.

- ▶ Continuation of AD support for C23 forestry and livestock programs.
- ▶ Increase efforts to make the pineapple sector become self-sufficient before the end of CONCADE (eliminate subsidies) and to arrange credit for members with FONDESIR.
- ▶ Insure that transport problems created by loss of bridge are alleviated to the extent possible and practical.
- ▶ An independent (of CONCADE/DAI) study to assess and define the appropriate role of UNABANA in the marketing of bananas.
- ▶ A strictly objective assessment of the palm heart market focusing on cost and returns of the various participants to help define a workable structure for the industry and the assistance needed to put the structure in place.
- ▶ The design of a sustainable public/private sector mechanism for technology transfer. This design should build on lessons learned from the efforts to establish the Valles and other SIBTA Foundations. It is strongly recommended that the design and implementation be carried out in collaboration with the SIBTA Humid Tropics Foundation in Santa Cruz.
- ▶ A phase-out and elimination of subsidies that create long-term dependency.

2. NEW AND ADDITIONAL ACTIVITIES FOR THE LONG TERM

The following list of activities reflects special needs identified from the information provided by the beneficiaries and stakeholders interviewed for the assessment. Not all of these activities are new *per se*. Many can be considered to be additional areas of focus or emphasis for on-going activities. This list is also not considered definitive. The definitive list will need to be developed by reconciling this list with the activities included in the draft scope of work for the follow on program, and tempering it with a large dose of the lessons learned listed above.

a. *Technical Interventions*

- ▶ Black Pepper: tutor/wire problem. (See A.2, above.)
- ▶ Passion fruit: solve tutor/wire cost problem.
- ▶ Pineapple: develop more suitable packing materials/cartons, and increase emphasis on pest control.
- ▶ Palm Heart: seek solutions to plant density and fertilization problems.

b. Organizational Strengthening Interventions

- ▶ Assist with the formation and development of an association for black pepper to help solve production and processing (drying) problems.
- ▶ Development of a public/private sector mechanism for technology transfer in the Chapare.

c. Marketing Interventions

- ▶ Passion fruit: increase emphasis on the development of a local market for the long term with a view to increasing volumes.
- ▶ Banana: focus UNABANA efforts on production, leaving product exports to specialized agents.
- ▶ Significantly expand efforts in assessing markets for Chapare products, placing additional emphasis on analyses for new crops such as camu camu, achiote (seek lessons from Yungas experience), cacao and Chapare coffee.
- ▶ Tropical flowers: see previous comment plus lessons from MAPA in Cochabamba valley.
- ▶ Palm heart: assist processors and producers resolve pricing issues and develop collaborative relationship among them.

d. Investment Interventions

- ▶ Expand investment in infrastructure (packing centers and cable systems) and training to assist more associations to provide bananas for export.
- ▶ Consolidate rotating funds and ensure adequate management.
- ▶ Develop a 'Bank' of creditworthy projects.
- ▶ Aggressively seek and promote alternatives for resolving the problem of investment credit.

**D. RECOMMENDATIONS AND LESSONS LEARNED FROM CHAPTER III
PARTICIPATION AND MUNICIPAL DEVELOPMENT**

a. Lessons Learned

This section synthesizes important lessons identified by interview respondents and derived from interview information by the assessment team.

1. Lessons Learned with Regard to Municipal Development and Participatory Municipal Planning

- ▶ Lack of inclusion of municipal governments and the participatory municipal planning process in AD activities is seen as being inconsistent with the Popular Participation law and citizen rights, and seriously undercuts the perceived legitimacy of AD activities.
- ▶ AD has the greatest level and likelihood of acceptance when conceptualized as a participatory development effort, in which all interested groups, both municipal government and civil society, are encouraged to work together to meet common needs. AMVI was cited as a good example.

- ▶ Effective support for municipal governments and the planning process results in greater participation in and social control over AD as well as other municipal projects, and greater acceptance and more positive attitudes toward AD.
- ▶ Failure to treat the municipal planning process seriously discredits AD activities, for example, by offering projects after the POA has been completed, by not providing adequate information to the municipal government and vigilance committee (particularly with regard to providing accessible, transparent information on availability and management of financial resources), by not complying with agreements made, and by not coordinating efforts so as to avoid isolated, duplicative or unneeded projects.

2. Lessons Learned with Regard to Participation in and Effectiveness of AD Activities

- ▶ Inadequate participation in decision-making with regard to AD activities reduces effectiveness and leads to perceptions of favoritism, politicization and questions of transparency. Producers also blame lack of control over projects by producer associations for marketing and income deficiencies, citing, for example, CONCADE's perceived favoritism toward processing plants, which pay low prices to producers.
- ▶ Conditionality requiring coca reduction or eradication in order to participate in AD activities is highly resented, and often impedes participation in AD, because coca is seen as a means of subsistence for families, and provides a safety net until other crops are harvested, or in case they fail, prices fall, or access to markets is blocked. Conditionality is also a motive for political conflict, which significantly weakens the social fabric in conflictive communities.

3. Lessons Learned with Regard to Gender and Social Inclusion

- ▶ There has been very limited progress toward gender equity in participation and benefit from AD programs. Women have been able to get projects funded, usually at marginal levels, through municipal POAs, but only with a concerted effort to get their voices heard and overcome male opposition. Women have worked almost exclusively through women-only organizations, and the projects for which they have received support tend to be small productive projects in gender-stereotyped areas related to women's domestic roles. Women's participation in mainstream AD activities and organizations, such as producer associations, is extremely limited.

b. Recommendations

The following recommendations are based on the foregoing lessons learned.

In general terms, AD should be reconceptualized to emphasize participatory development, rather than focusing predominantly on coca reduction. The objective should be to strengthen the overall level of social and economic development in coca-growing areas, by increasing alternative economic opportunities, developing effective participatory institutions, and improving social and productive infrastructure and public services, such as health and education. More specifically, AD should:

- ▶ Make use of all possible means to increase linkages and cooperation with municipal governments and *mancomunidad de municipios* in the Chapare, and to incorporate AD projects into the participatory municipal planning process, consistent with US guidelines for working with municipalities in the Cochabamba tropics. While it is clear that, under these guidelines, USAID resources cannot be administered directly by municipalities, the implementing partners who manage USAID resources should keep municipalities and citizen oversight committees informed in a timely manner regarding the level of these resources, their allocation, and how they are being used, to promote transparency and build greater levels of trust.
- ▶ Provide support for municipal strengthening and for improving the municipal planning process, through, for example, training and technical assistance for municipal officials and staff in improving municipal functions and services, support for public hearings and information dissemination, training for leaders and members of all base organizations. (not just those involved in AD). Indicators should be developed which will enable results with regard to municipal strengthening and planning to be assessed.
- ▶ Ensure that AD activities emphasize and effectively implement participation by beneficiaries, particularly in decision-making, e.g. deciding what is to be done and how it should be done. This will require taking participation into account in project design, and by avoiding pre-defining activities in such a manner as to preclude participation in decision-making; and developing indicators to track participation by type or level, as well as numbers of participants.
- ▶ Support the development of knowledge, skills, and leadership necessary to facilitate the participation of beneficiaries in decision-making, including promoting a broader vision of participatory community development than currently exists.
- ▶ Ensure that heretofore marginalized groups--particularly women belonging to all social, age, and ethnic groups, as well as young men and men from minority ethnic groups--have the opportunity and the capacity to participate in the participatory municipal planning process, citizen oversight committees, and in all aspects of AD activities. Addressing gender discrimination, particularly, will require intensive work with men--especially municipal authorities, leaders of base organizations, and leaders of producer associations--as well as women, to combat systemic discrimination and perceptions of women's secondary status as natural, and open new opportunities. At the same time, it will be necessary to help women (and other excluded groups) develop the necessary knowledge and skills, as noted above, to give them both the confidence and ability to participate effectively. It is essential that future AD activities focus on integrating women into mainstream project activities and organizations. Productive projects, particularly, should be supported on the basis of market demand and viability, rather than be pre-determined by gender stereotypes. The level and type of participation and benefit (including participation in organizations, in leadership, in selecting and implementing activities, employment, and income) should be tracked by gender for all marginalized groups.
- ▶ Develop indicators to measure and track perceptions of quality of life, as well as income, by all relevant groups.

- ▶ Support dissemination of results regarding quality of life and income related to AD activities, together with information on the relative costs and benefits of licit and illicit activities, tailored to all relevant groups, to help combat prevailing negative perceptions.

E. RECOMMENDATIONS FROM CHAPTER V: STRATEGIC AND POLICY IMPLICATIONS

Recommendation: USAID should seek greater **flexibility** by designing its' programs as a broadly framed statement of problems, rather than as parameters based on design assumptions, and other factors that lead to built-in rigidity, such as pre-envisioned quantitative outputs and targets. The political culture of coca production and municipal development in Bolivia is neither sufficiently simple nor static to permit such an approach. Rather, USAID should design programs whereby only limited amounts of funds are committed to specific activities with performance indicators appropriate to those shorter term efforts.

Recommendation: Due to the concern with the nature of participation and dealing with beneficiaries as participants that permeates this document, USAID needs to seek contractors and grantees in the future, which have excellent community development track records and success in the design and execution of multidisciplinary operations. Ideally, in the case of the successor to CONCADE, a high level project official at least at the level of Deputy Chief of Party should be a thoroughly seasoned and field tested expert in community development.

Recommendation: USAID and the Embassy should agree on Rapid Reaction Resources. For instance, in the event of a declared target of opportunity, the RRR would be deployed to start an operation, to be followed by the greater resources and staff of the appropriate USAID flexible grant or contract. A properly conceived RRR would need to deal with three factors: funds, staff and speedy response, the latter being the most critical.

Recommendation: Comment on Funding: Country Team commitment to an RRR approach and mechanism needs to be very explicit *ex ante* in order to minimize bureaucratic snags regarding availability of funds at the time that unforeseen needs and opportunities occur. NAS/Bolivia noted to the Assessment Team that Civic Action was being highly emphasized by State, but that funding is limited.

Recommendation: At a minimum, even if the Mission pursues no other form of fast and flexible programming instruments, USAID's financial participation and support for Civic Action should be significantly increased.

Recommendation: Some arrangement needs to be sought whereby AD/SOT becomes the principal accountable party with authority regarding the content and execution of AD-funded activities, particularly as the political sensitivity rises. Other Missions undoubtedly have faced similar situations, and USAID/Bolivia should review such cases, particularly the case of USAID/Peru.

Recommendation: The Assessment Team considers that a sharp increase in field presence is required. To maintain the proper degree of intelligence and awareness of municipal events that effect and shape USAID's AD programs, there is no substitute for more "boots on the ground",

and they should be Bolivians who are attuned to the culture of local government. This dimension is somewhat deficient in the design and operation of current AD efforts, which should be an important consideration for the design of future AD programs.

Recommendation: The Team strongly recommends that USAID and AID/W, with the participation of State and Treasury jointly undertake a concerted and persistent effort to make major changes in IFI support of AD. Such efforts need to be paralleled by USG efforts in La Paz in dialogue with the Government regarding establishing a heightened visible role for AD in the lending priorities for the IDB and World Bank loans in the annual programming exercise conducted in La Paz between the Government and the IFI's. Therefore, the Bolivian Governor(s) to the IFIs is the central point for the USG (Embassy/AID) high-level dialogue to begin. AID/W together with other interested USG agencies, and dealing through the IFI, should pursue the specific agenda prepared by USAID for the Washington level discussions. Such an agenda could include, for example:

- ▶ Identification of ongoing project in the portfolios of both institutions, which could direct some resources to the Chapare and Yungas. This sort of re-programming occurs frequently, and is feasible, in principle, without the involvement of the Board of Directors of these institutions, as long as the original project objectives are maintained. Infrastructure projects lend themselves to this sort of reprogramming very well.
- ▶ Request for consultation with the Governor to the Banks and with the relevant Operational Department of each institution, prior to the annual programming exercise, which is the event where new projects are agreed.
- ▶ Each of the IFIs provides grant based technical assistance to Bolivia. In the case of the IDB, it ranges from \$800,000 to \$1 million per year. These grants are based on GoB requests. USAID and the US Executive Director should request that proper support for AD is included.

In summary, this would be a worthwhile initiative, but must be conducted in tandem by AID/W and USAID. The active participation in AD by the IFI's is necessary if major advances toward financial sustainability for AD are to be achieved, and eventually diminishing the US bilateral program, which has existed for several decades.

Recommendation: The Mission should rapidly develop a communications program.

Limited understanding and inadequate misinformation about Alternative Development was a very detectable undercurrent in many of the interviews. The Assessment Team is aware that concerns for improved communication has been recommended by other analyses of Alternative Development -- particularly the Jackson team report of early 2003--and that the Mission has been in discussion with parties that could develop a communications program. Also, a pressing need for such an effort is emphasized in the Chapter on "A Bolivian Perspective." As stated therein, ".....a deliberate and transparent policy of information delivery is needed. There should be easy access to it, openness to turning over information, results and comparisons. But just as important as this, the information should be instructional, understandable, and should cover citizen-beneficiary areas of interest.

Additionally, it is felt that there is no specific communication policy in the field of alternative development. Many good things have happened, but have not been publicized and therefore are

not part of general common knowledge. Such matters have not been communicated to the people, no information about successes has been disseminated, and this absence of information and lack of communication policy is seen in the public eye as being clandestine. Because of this, the public has not become an ally of Alternative Development. A change is needed in the institutional image of alternative development, supported by a communication policy that shows an open project, that instructs, that provides transparent information, and that informs about its achievements and results as well as its failures. All this, and the information that goes with it – and here we’re not referring to that which is used for propaganda purposes – is quite capable of becoming a project that is legitimized by public opinion and in the eyes of its beneficiaries.”

Recommendation: In view of the need for:

- policy consistency vis-à-vis donors,
- the need to raise GoB priority support for AD via greater IFI involvement, and
- the need, as repeatedly recommended in this Assessment, to include other Ministries in the AD dialogue, as USAID broadens its approach to AD,

A **General Manager for Alternative Development** is needed in the GOB, who reports directly to the President. In the past, the counterpart arrangement with the Vice Minister of Alternative Development and its two regional offices (PDAR) reflected AD programs that focused largely, but not exclusively, on agriculture. The GOB’s National Plan for Alternative Development does not limit the Vice Ministry’s mandate for AD solely to agriculture. As the breadth of AD programs sponsored by USAID continues to grow, the Mission needs to be vigilant that coordination beyond the Vice Ministry’s mandate –should that be the case—adequately involves other GOB Ministries and agencies for areas that may not be the specialty of the current counterpart Ministry nor its’ mandate.

This recommendation is uniquely important for Mission consideration for other reasons. First, it will be a major step to official and public recognition that Alternative Development is a national *Bolivian* program, which is a stature that the program currently has not quite completely achieved. The assessment team’s impression is that there is little knowledge and a great deal of misinformation about the program. Second, the appointment of a high level official for Alternative Development would also be a focal point and facilitate the critically needed AD Communications program, which was a particularly important point emphasized in the Chapter on “A Bolivian Perspective

Recommendation: The Mission may wish to examine closely the experience of USAID/El Salvador, in the project, “Mayors in Action” (MEA), which was conducted in the 1980’s. While the context was different because of the open armed conflict that prevailed, many of the issues faced by that Mission and addressed through that project are sufficiently similar to the challenge of municipal development and greater government presence in a context where central government legitimacy is questioned and threatened. The document is available from USAID/El Salvador or AID/W, and was prepared by Checci and Company in June 1994. Furthermore, the Mission would profit by inviting those involved in the project to Bolivia for briefings; and/or visits by Mission staff to the San Salvador to be briefed by staff operating the ongoing successor project would be very worthwhile, and truly a beneficial “lesson learned.”

RAPID FIELD REVIEW OF ALTERNATIVE DEVELOPMENT ACTION IN YUNGAS AND CHAPARE

CHAPTER I INTRODUCTION AND METHODOLOGY

A. BACKGROUND AND NEW CHALLENGES

The history of USG policy and programs to eradicate or limit coca production dates back to the late 1970's, and has gone through several evolutionary chapters, beginning with the Coca Substitution programs of the early 80's, up to the current economic growth and broad based agricultural production stage (CONCADE). The AD program is now on the threshold of another chapter in its evolution. In the Chapare, The emphasis of past programs on agriculture production has evolved to the current CONCADE program which is less narrowly focused than predecessor programs and more comprehensive in terms of agricultural production and marketing, with a number of community and local development oriented activities, such as AMVI and PROSIN added relatively recently.

A new chapter of AD challenges has begun, characterized by a significant degree of politicization among the program target group, thereby requiring an approach that embraces needs and issues beyond agriculture. The reasons for this concern internal migration and challenges to political participation as practiced in the past in Bolivia which is beyond the scope of this Assessment. However, in its' response a broad based AD program that embraces municipal development and community participation must recognize the complications imposed by the politicization of the coca issue. Dealing with the complex challenge of persuading coca producers to move to legal crops will require USAID's very close attention to the manner in which programs are implemented to ensure that the modalities employed are thoroughly consistent with the perceptions and needs of the intended beneficiaries and that project design and implementation thoroughly take into account the culture of community, participation and municipal development that prevail in rural Bolivia.

Past success in limiting or eradicating coca production has been highly correlated with clear and consistent Government commitment, particularly to eradication. In the context of the new chapter of challenges, commitment to eradication will continue to be as important as it has been in the past. However, consistency and priority in Government policies and broad international donor community support regarding municipal development will require equal priority and commitment. Finally, and of equal importance because of the cultural and political nature of the new dimensions to the task of eradicating illegal coca, US Government programs will require consideration of changes to the current operational modality of AD financed programs, which will be as critical to success as sustained Government commitment to eradication.

B. PURPOSE OF THE ASSESSMENT

As USAID Bolivia accelerates the process it has already initiated of broadening its AD programs to include greater emphasis on local government and community participation as principal instruments to address the new social, and political dimensions of the AD challenge, it is

reviewing its experience in Yungas and Chapare in order to apply the experience gained to the next chapter of AD in the Bolivia. This Rapid Field Review (i.e., the Assessment) of USAID/Bolivia's Alternative Development (AD) programs is presented in the context of supporting the Mission's efforts to address these complex new challenges and seeks to address several purposes:

- ▶ First, the Assessment provides guidance for the development of successor programs to CONCADE in the Chapare.
- ▶ Secondly, the Assessment identifies lessons learned regarding community participation in ongoing AD programs that will be critical for current and future project design and execution in the Chapare.
- ▶ Third, the Assessment provides the Mission with a discussion of broad policy, design and implementation factors to be considered in future AD efforts. This discussion, contained largely in Chapters IV and V, is intended as support for USAID's desire to expand the scope of AD efforts. The discussion also considers factors to help achieve a significant increase in the degree of financial sustainability of AD efforts.

The Mission already has a sound empirical basis for the process of broadening the AD program in the Chapare. This assessment should be read and understood in that context. For example, at the strategy level a broadened AD program is envisioned in the March 23, 2003, AD Strategy Paper, now included in the 2004-2008 Country Strategic Plan for USAID/Bolivia. Also, the "Assessment of the USAID/Bolivia Alternative Development Strategy", July 25, 2003, contains a wealth of information, conclusions and recommendation, a large number of which are echoed by the current assessment of CONCADE and AD efforts in Yungas.

It is noteworthy that a number of key findings of this Assessment are echoed in the other documents noted above. The Assessment notes such instances in an attempt to underline similar findings. In effect, this is a form of mutual corroboration among various studies. Nonetheless, understanding the conclusions of this Assessment does not require the reader or the Mission to review other documents for details; the findings of this assessment are freestanding.

C. THE ASSESSMENT: GENERAL CONSIDERATIONS

Nature of the Assessment

The Mission is at the threshold of numerous policy, design and implementation issues, even though it has already begun to expand the nature and scope of AD programs in the Yungas and Chapare. In that regard, this Assessment offers the Mission a number of actionable recommendations, while others will require further study and analysis in order for policy and program management to proceed efficiently in the future. In order to offer an understanding of the scope and impact of AD programs thus far, the Assessment presents a section on achievements, which is a compilation of the periodic reports of AD contractors, presented in accordance with the Strategic Objectives of the overall AD program. This section serves as an important quantitative backdrop for understanding successes to date, as well as for comprehending the recommendations of this Assessment.

However, the emphasis of the Assessment is essentially prospective in nature, focusing to a significant extent on policy and program management and execution issues in the firm conviction that emphasizing such matters holds forth the greatest prospect of major improvements. This conviction is based on the team's view that, given the substantial achievements to date, while some corrections need to be made in "what is being done", the bulk of the constraints identified concern "how the AD program is being implemented". This emphasis on the "style" of implementation takes on even greater importance as the Mission moves deeper and more expansively into an AD program which is likely to go well beyond the economic and production emphasis of current efforts in the Chapare, a program direction endorsed by this Assessment.

For instance, by moving into a period of greater programmatic, policy and operational emphasis on community participation and municipal development, the Mission will be functioning in a context of political, institutional and cultural relationships where the "style" of relationships with target groups will be complex, subtle and comparatively more difficult than the relatively straightforward issues encountered currently in the production aspects of the AD financed CONCADE program. Also, and most important, broadening the program will require addressing the nature and extent of Government and other donor participation, particularly if financially and institutionally sustainable reduction of illicit coca production is to be achieved.

Key Factors for Success

In view of the recent political events, the Mission asks the question in the Scope of Work:

"In addition to the economic development approach emphasized under the program, what are other key focus areas the Mission should consider to help sustain coca reduction?"

This inquiry and others that concern the Mission are beneficiary behavior driven. A central thesis of this Assessment is that, in view of the AD impact to date, pursuing the question of what the AD approach was is less revealing than the question of what other approaches should be considered. In a related fashion, the Assessment indicates that the answers reside largely in the area of style of implementation of projects, involvement of other donors and presence of the Government in coca growing areas and AD programs.

In short, the Team finds relatively few problems with the design of the projects that comprise the AD program. There has been significant impact as indicated in this Assessment, particularly Chapter II. But the question of financial and institutional sustainability without significant levels of external assistance remains doubtful, which has a great deal to do with the matter of target group ownership, choice of interlocutors for project execution, and the need for greater government and other donor participation. In addition, change in the style of implementation as noted throughout this Assessment will be central to the Mission's ability to address the core aspects of the new political and social dimensions of the challenge.

The **overall recommendations** contained in this assessment indicate a need for:

- ▶ Programs that strive for increased local "participation" from a perspective of community and social partnership that treats the target group as key participants in identification and

prioritization of support from AD programs, and does not treat them as mere beneficiaries.

- ▶ Programs that are based on proper community based *information* to sense changes in demand.
- ▶ Programs that are more *flexible* in their design and implementation than traditional projects and that are capable of adjusting to the fluid nature of social and political dynamics at the municipal level and in responding to unforeseen opportunities.
- ▶ Programs that can adjust *rapidly* to changes in target group requirements.
- ▶ Programs that are based on a very high level of *coordination* with other Country Team elements, such as the Civic Action Program and NAS eradication efforts.
- ▶ Production programs that involve significantly greater degree of *private sector* participation.
- ▶ Programs that clearly specify requirements and impact regarding *financial and institutional sustainability*.
- ▶ Policies and strategies that increase the accountability and *participation of other donors and the Government of Bolivia*.
- ▶ Formulation of an evaluation framework based on objectives, strategies and indicators that go well beyond the current array of such factors, and which embraces the new expansive directions the Mission has embarked upon. In addition, the significant discussion in Chapter IV on “A Bolivian Perspective” that calls for a broad systematic view of alternative development that includes increased sustainable agricultural production but embraces measures regarding improved social well being and, in effect, inclusion as regards the population in Yungas and Chapare should be noted. A survey of the population in both regions would be an important point of departure for this sort of effort. Principal areas of concern for this sort of survey are contained in the above cited Chapter of this assessment.

D. METHODOLOGY

Background

In mid 2003 USAID and Development Associates agreed to conduct a rapid assessment by the end of 2003 of the Alternative Development program in the Chapare (TOC) and Yungas. Both aspects of the assessment — CONCADE and Yungas --- were intended to serve as a substantial part of the basis for designing a CONCADE successor program, including a greater emphasis on municipal development and community participation. These were two strategic and programmatic directions that the Mission had already correctly determined necessary to adequately address the evolving nature of a significant increase in the politicization of the challenges facing AD policies and programs. The events of late 2003 significantly reduced the timeframe available to conduct the Team’s efforts, as well complicating the context in which the

field work would be conducted. Nonetheless, the Mission and Development Associates agreed that an assessment rather than the originally planned six month evaluation would be feasible. Therefore it was agreed that a Rapid Field Review (RFR- referred to herein as “the Assessment”), focusing on “managing for results” would be the best option under the time-limited circumstances. This option was set out in Section 5.A, of the Scope of Work. The consultant team then faced the challenge of designing an assessment that would maximize the information needed by the Mission within the severely limited timeframe. This task was complicated by the size and complexity of the CONCADE project, and the number of AD financed activities in Yungas.

Rationale

The current Assessment takes into account the Missions’ strategic framework, and includes key parameters of the quantitative achievements as contained in periodic reports of executing agents. This quantitative information serves simultaneously as backdrop and balance to facilitate the discussion and analyses of the qualitative perspective of AD achievements and issues garnered via interviews with beneficiaries. Therefore, the current Assessment offers a critically important complement to the current technical and quantitative information base at the Mission’s disposal for developing the next evolution of the Alternative Development program. The Assessment is based on approximately 125 meetings, totaling some 400 respondents involved in municipal development, community participation, and agriculture production and marketing in Yungas and Chapare. The blend of quantitative and qualitative perspectives provided by this assessment is essential in order to address the beneficiary driven concerns contained in the Scope of Work, because the interviewees directly represent the very target groups that AD programs are trying to influence. Therefore, their views, which are summarized and analyzed in this Assessment, are critically important for future program design and implementation as they bear on “achievements of results” and lessons learned. “Achievement of results” is interpreted in Section 5.A.1. of the SOW, as follows: “....focus will be on “managing for results”, whereby the focus will be on results rather than individual activities.”

The Team’s review of the CONCADE documents demonstrated that the indicators proliferated over time, and were often modified. Given such changes, and taking into account the time constraints, the Team decided that independent field-based quantitative assessment would not be feasible, nor was it required by the scope of work. Thus the Team decided that a qualitative assessment complementing the quantitative target and achievement information contained in implementing contractor periodic reports, already available to the Mission, was the best way to proceed under the circumstances. Finally, the team took very special note of the priority placed by the Mission on their beneficiary oriented concerns as contained in the revised scope of work and noted above. Therefore, in the Team’s view the most important parties to the assessment would be the intended beneficiaries, with somewhat lesser emphasis--but not exclusion — placed on contact with the executing agencies. The reasons for this were quite simple. First, the Mission already has the judgments on progress and issues from the executing agencies in the form of the quarterly reports, which project managers review. Second, the executing agencies do not have an unbiased view of target group and beneficiary opinions and needs. Stated briefly, implementers will always emphasize their accomplishments, and beneficiaries will focus on what implementers did wrong or failed to do. Neither is unbiased. Finally, the nature of the questions asked by the Mission, as reflected in Section 5.A.1 of the SOW, can only be asked of the beneficiaries, because it’s their behavior and opinions that characterize Mission concerns.

Therefore, by design, and consistent with the revised scope of work, the Assessment is heavily oriented to the results of the principal themes garnered during the interviews with beneficiaries, and includes contacts with the project executing agencies as well, but to a lesser degree. Annex 3 contains the detailed list of municipalities, groups, project executors, and others that were interviewed.

The significant value added of this assessment is the extensive number of interviews with beneficiaries and participants, which is “first hand information” and sets it apart from most assessments currently available to the Mission. Thus, the Assessment is an amalgam of quantitative data on impact and successes of the AD programs and the views of target groups regarding such activities. The Mission now has complementary, but not totally congruent, views from the two critical sets of actors involved in AD: the implementers and the beneficiaries, for its consideration. Obviously, divergence between the two sets of perceptions is a matter for the Mission to probe further; and areas of agreement should be emphasized.

In the opinion of the Team, the parties interviewed were highly representative of municipal authorities, farmers and groups engaged in agricultural activities, and numerous community based organizations. All but one municipality in Yungas and Chapare were interviewed. Respondents in the majority of cases were the mayors and the majority of the members of the governing councils and vigilance committees. Similarly, respondents participating in interviews on agricultural production and marketing matters were large numbers of associations and significant numbers of their memberships. A total of some four hundred respondents were involved in the 125 meetings held in Yungas and the Chapare. This extensive effort was undertaken precisely to minimize issues of “sampling” and adequacy of representation. In essence the Assessment is based upon a qualitative census of beneficiaries. Finally, the Team made a very special effort to synthesize the comments obtained in the interviews to the most relevant and repeated themes that characterized the interviews. The findings, therefore, are highly thematic yet representative. From time-to-time, the comments of an individual respondent are included as an illustration of the reported theme.

In order to be successful, the interviews had to be frank and open. Great importance is attached to the interviewers’ ability to understand the respondent’s perspective without pre-conceived ideas or opinions. Moreover, in carrying out interviews with beneficiaries who are campesinos one must understand that they do not have a tradition of volunteering information, candidly, to people outside their particular group or circle. Consequently, the Team decided that the majority of Bolivian professionals, who would carry out the interviews, should not have prior involvement with Alternative Development projects. Bolivian professionals led the interviews based on the expectation that they could not only carry out open and frank discussions, but could also capture the messages and idiosyncrasies that non-Bolivians would possibly overlook or misinterpret.

The methodology to carry out the interviews for CONCADE and related activities, such as C 23, was semi-structured in the sense that a number of questions were formulated beforehand and placed in a matrix, and arranged in two groups that are a close reflection of the principal areas of CONCADE activity: production assistance and organizational strengthening (dealing with producers and farmers); and market support and investment promotion (dealing with processors, exporters and commercial producers). In the case of municipal development and community participation, the Team reviewed the appropriate project documents. Based on those documents,

the objectives of the SOW and the matrix mentioned above, the consultants dealing with these topics developed two sets of questions to guide the interviews: one for Yungas, where the Mission has conducted a good deal of activity in municipal development; and one for Chapare, where AID finance municipal development will soon begin, so perceptions of those interviewed regarding AD are important for future project design and implementation.

The Team spent three weeks conducting the fieldwork in Yungas and Chapare during November and December, 2003.

CHAPTER II

AGRICULTURAL PROGRAMS

A. ACHIEVEMENT OF RESULTS AND OBJECTIVES IN CHAPARE

Overview and Methodology

As noted in the preceding discussion on methodology and purpose of the current assessment, the following sections present a summary of quantitative indicators contained in the quarterly reports prepared by contractors who carry out the implementation of CONCADE projects. This quantitative summary is presented to serve two purposes. First, it provides an overall management tool and integrated view of the strategic objectives and the **quantitative achievements** of the various projects in the multifaceted and expansive AD program, indicating how they bear on objectives. This sort of overall perspective is crucial and simply not possible by reliance on the separate quarterly reports of individual projects. Second, it provides a balanced backdrop for the **qualitative findings** of the current Assessment.

This section provides a quantitative assessment of five of the six specific objectives (SO's) for the CONCADE program culled and summarized from the contracts and grants, including their modifications as well as from progress reports and other documents pertaining to the implementing entities.

- SO1 - Sustainable farm-level production capacity for licit crops established
- SO2 - Commercially sustainable market linkages established for licit products
- SO3 - Alternative development organizations strengthened
- SO4 - Private sector investment and agriculturally based industries stimulated
- SO6 - Emergency Stabilization Support

SO1 and SO3 focus primarily on expanding licit (alternative) agricultural production through strengthened local organizations. SO2 and SO4 are oriented mainly towards establishing commercially viable market linkages with increased investment. SO6 provides critical support to the other SO's. Therefore, the organization of this chapter applied the following strategic alignment:

- Licit agricultural production through strengthened local organizations: SO 1 and SO3; and
- Commercially viable markets and increased investments: SO 2 and SO 4.

The prime contractor's (DAI's) results indicators for these four objectives as originally presented in their contract have been up-dated by subsequent contract modifications to reflect changes that have occurred during the period of project implementation. Therefore, reference is made to the following documents:

- Original Contract for the period 6/1999 to 6/2002, signed May 1999
- First Qualitative Analysis of DAI activities for the period 6/1999 to 6/2000, issued in January 2001
- Modification 4 to the DAI Contract that adds SO6 for Emergency Stabilization Support, issued in January 2001

- Modification 6 to the DAI Contract for the period 6/2001 to 6/2003, issued in June 2001
- Quantitative Evaluation of DAI activities for CY's 2001 and 2002, issued in April 2003
- Modification 17 to the DAI Contract for the period 6/2003 to 11/2004, issued in Sept. 2003

In addition, reference is made to the Grant Agreement, and its modifications 5 and 7, for the UNDCP BOL/C23 Project implemented by FAO; and to the Grant Agreement for the UNDOCP/BOL/E07 Project implemented by ILO.

The results shown for each indicator included in the above documents were taken from progress reports of individual projects and consolidated according to shared Strategic Objectives.

The Assessment Team has the following observations on CONCADE Progress Reports. CONCADE-DAI Quarterly Progress Reports contain an overwhelming amount of data, mostly in tables, that are structured to show advances by indicators under the Strategic Objectives. The reports stress achievements such as:

- Number of farmers engaged in licit crops, including new farm families.
- Number of hectares per licit crop plus new hectares.
- Wholesale values of crops and average farm gate incomes.
- Number of legally registered farmer organizations, members, benefits provided etc.

Even those closely associated with the monitoring of CONCADE accomplishments would be hard pressed to determine how a particular crop or product line was progressing. The reports do not clearly identify **“problems to be addressed”** or **“specific problems solved”** in the farm to market chain of selected crops. A reasonably accurate estimate is made of total areas of selected crops using satellite imagery, but the reports do not contain information on what is happening to those crops in terms of issues and problems.

The BOL/C23 Progress Reports are somewhat more informative, but are essentially the same for new crops being introduced. The reports should contain additional information on such products as rubber, achiote, camu-camu, etc. other than numbers of communities, families, hectares, etc. The Assessment Team foresees problems in the future for these crops when volumes of production increase.

Recommendation: The Assessment Team strongly recommends that CONCADE and follow-on project reports be structured into two parts: one showing progress along the farm to market chain for each crop; and another showing fulfillment of results indicators.

1. Licit Agricultural Production Through Strengthened Local Organizations: SO 1 And SO3

Introduction

Throughout the discussion of findings and conclusions in this chapter of the implementing entities, results and objective attainment are presented for each of the specific objectives. Quantitative findings tied to specific sub-results and indicators are discussed under each SO. This is followed by a presentation of findings general to the SO, concluding with a summary **qualitative** assessment of progress towards achievement of the SO.

So1 - Sustainable Farm-Level Production Capacity for Licit Crops Established

To measure progress towards this objective, the Assessment Team tracked the following results and sub-results. (See tables below).

Results 1.1

		Program Dec-02	Program Jun-03	Program Dec-03	Program Nov-04
DAI Contract:	1.1: Eradication conditionality increasingly accepted by farm families. (No. of families)	25,000			
Mod. 6:	1.1 Farm families receiving alternative development assistance conditioned on coca free areas/agreements.(No. of families)	20,000	25,000		
Mod. 17:	1.1 Number of farm families that receive AD assistance from CONCADE in the Cochabamba Tropics. (No. of families)			25,000	30,000
Mod. 17:	1.1.1: Number of farm families that receive agricultural extension services or other direct benefits from CONCADE in the period June 2003 to November 2004. (Not determined.)				
Qtr. Report Sep-03	1.1.1: Additional number of farm families that directly receive Alternative Development assistance form CONCADE-DAI (No. of families) <i>(NOTE: The difference between 1.1 and 1.1.1 is the number of families receiving indirect benefits from road infrastructure, which is reported separately, but not as a sub-indicator.)</i>			13,923	16,923
Mod. 17:	1.1.2: Number of women who participate in or obtain benefits from CONCADE programs targeted to women (credit, employment, use of daycare facilities, and others)			2,000	3,500
C23 Mod. 5	I.1 Farm families receiving assistance from Project C23 conditioned on coca free areas/agreements (No. of families)	3,900		4,200	
C23 Mod.9	1.1 Farm families in coca free areas that receive C23 assistance (No families)				6900
EO7	1.1 Provide vocational training to strengthen productivity/competitiveness for product lines selected by CONCADE (Training courses)(Beneficiaries)				20 400

Discussion of Quantitative Findings

DAI's Quarterly Progress Report for September 2003 shows that **23,918 farm families** had received assistance from CONCADE and **12,750 farm families** had received assistance directly from the prime contractor. It should be noted that the quantities in the Contract included the number of families benefiting from road maintenance and improvement. As recommended by the Quantitative Evaluation, these families were removed from the indicator by Mod. 17. The number of families benefiting from roads is reported, but not as an indicator

The BOL/C23 Project report for September 2003 reports **6,707 families assisted**.

The BOL/EO7 Project report for June 2003 shows that 57 courses were presented to 1,534 participants, including 564 women. The report describes the eight different types of courses presented, and the number of participants per type. It also provides information on the participants, such as level of education distribution by age categories. The BOL/EO7 Final Report in September 2003 states that the Project had delivered 421 vocational training courses benefiting 9,783 young men and women.

The Quantitative Evaluation concluded that this indicator included those who had received different levels of technical assistance and that a better indicator would be a direct measure of those farm families that have applied AD-promoted technology on some minimum amount of land. The Assessment Team agrees with this conclusion because it is more closely related to Results 1.2

Discussion of Qualitative Findings

The most significant qualitative findings of the Assessment Teams' field surveys with respect to Result 1.1 and CONCADE assistance are:

- Irrespective of the limitations of the indicator, clearly the absolute number of families that have received and/or benefited from CONCADE, production and marketing assistance has grown over time and continues to grow.
- The positive impacts of CONCADE assistance for agricultural production and marketing are highly visible and very widespread: geographically, across types of crops and other productive enterprises, and across social and economic strata.
- These positive impacts probably would have been greater had the recent modifications to the CONCADE approach to providing technical assistance to farmers been made earlier by the prime contractor. Further improvements in the approach are needed (see separate discussion/assessment of CONCADE approach).
- Assistance needs have been fulfilled and continue to be fulfilled, but there is still a great need for many types of production and marketing assistance. Our field interviews pointed to the following examples of highly demanded and urgently required assistance:
 - Infrastructure and training for export banana production - apparently about 40% of banana producers have the required infrastructure and are trained to produce for the

export market and the production of the other 60% is less profitable and unlikely to be sustainable without this infrastructure and training. All the exporters stated that they needed more bananas.

- Assistance to resolve the “live tutor” problem for black pepper. This problem is causing production inefficiencies, has higher costs and is affecting the profitability and sustainability of this crop. However, black pepper growers are in the process of forming an association and considered themselves to be better off than coca growers.
- Palm heart producers have serious production efficiency, quality and cost problems. There are reports of decreasing productivity and producer threats to discontinue their plantations and plant other crops. Some have already planted rubber and cacao among their palm heart fields. All the processors stated that they needed more palm heart, but this crop is unlikely to be sustained without assistance to solve a series of problems constraining productivity and expansion of production.
- Both forestry and livestock producers spoke highly of assistance received from BOL/C23 that helped them to improve production, productivity and returns of their enterprises, but lamented that the assistance was to be discontinued and cited the potential for many others to benefit from assistance in these areas. (The Bol/C23 Project was extended in December 2003.) It should also be noted that USAID (through CONCADE) has supported livestock and milk production for the past four years. However, the Assessment team has no detailed judgment on these efforts because the milk and cheese plant in Ivirgarzama was not in operation at the time of the team’s visit.

Results 1.2

		Program Dec-02	Program Jun-03	Program Dec-03	Program Nov-04
DAI Contract:	1.2 Increased hectares of licit crops sustainably planted in the Chapare: (No. of hectares)	119,000			
Mod. 6:	1.2: Area of licit crops planted in the Chapare. (No. of hectares)	128,500	132,900		
Mod. 17:	1.2 Area of licit crops, including pastures, planted in the Cochabamba Tropics. (No. of hectares)			132,900	136,900
Mod. 17:	1.2.1 Prime Contractor's contribution to increasing the area of licit crops, by crop in the period June 2003 to November 2004 (Not determined.)				
Qtr. Report 9/2003	1.2.1: Additional established area of licit crops and pastures directly attributed to support from COCADE-DAI. (No. of hectares)			30,199	36,601
Mod. 17:	1.2.2: Prime Contractor's contribution to yield improvements for specific priority crops in the Cochabamba Tropics. (Average 25% increase.)				
Qtr. Report 9/2003	1.2.2 : Increased crop yields for specific priority crops attributable to direct support from CONCADE-DAI. (To be determined.)				
C23 Mod.5	1.2 Area under forest management and agro-forestry (No. of Hectares) a. Forest Management b. Agro forestry	100,000 5,000		125,000 6,500	
C23 Mod.9	1.2 Increased Licit Crops Sustainability Planted 1.2.a Area under forest management (No. of hectares) 1.2.b. Area under agro forestry, including annual crops. (No. of hectares)				173,000 7,500

Discussion of Quantitative Findings

DAI reported **127,013 hectares** sustainability planted in its Quarterly Progress Report for September 2003.

The BOL/C23 Progress Report for September 2003 showed **172,027 hectares and 6,406** hectares respectively

The hectares are accurately measured by remote sensing using satellite imagery combined with ground verification. The report for 2003 provides the following inventory of crops:

• Banana/plantains	– 29,173 hectares
• Palm Heart	- 6,434 hectares
• Pineapple	- 2,937 hectares
• Black Pepper	- 432 hectares
• Passion Fruit	- 178 hectares
• Pastures	- 33,595 hectares
Sub-total	- 72,743 hectares
• Citrus	- 25,026 hectares
• Yuca	- 6,410 hectares
• Grains	- 14,612 hectares
• Annual mixed crops	- 16, 545 hectares
Sub-total	- 62,593 hectares
Total	- 135,342 hectares

NOTE: The 127,013 hectares reported by the prime contractor are from the previous survey. Also, it should be noted that citrus was introduced prior to 2000 by another donor and is not part of USAID AD activities.

Recommendation: The Assessment Team recommends that attempts be made to distinguish plantains from bananas in the satellite survey. Plantains require less post harvest infrastructure. The existence of the AD road network in the Chapare makes it possible for truckloads of plantains to leave the Chapare daily with minimal AD assistance.

The satellite survey also shows 105,624 hectares in primary forests and 69,092 hectares in secondary forests. The amounts reported by the BOL/C23 Project include forests outside the survey area.

Thus, *quantitatively* there is indisputable evidence that the areas planted in licit crops increased significantly during the CONCADE program. It also indicates that much diversification has occurred recently and a considerable number of other crops and enterprises, in addition to the five primary crops assisted by the prime contractor, are being planted, cultivated, harvested and marketed. Among these, improved pastures and forest management received the high marks from producers and clearly offer immediate potential for expansion. Others that seem promising, but whose potential is not yet clear until more information is obtained on markets, include flowers, honey, achiote, citrus and camu camu, rubber and cacao.

Discussion of Qualitative Findings

Recommendation: While this is a good indicator of absolute as well as relative change in licit crop areas, it does not measure the *qualitative* aspects of the selected crops. Therefore, it is recommended that, in addition to measuring areas of crops, future programs use the same satellite imagery to carry out surveys using area sample frame techniques to determine present and future yields of the selected crops. This data, combined with areas, would provide present and projected quantities of production that are essential for effective marketing strategies.

Recommendation: It is recommended that surveys be periodically conducted to determine market prices of the selected crops, which would allow for reasonably accurate projections of total value of crops being grown in the Chapare.

As recommended in Results 1.1, determining farm families that have adapted AD technologies would be closely tied to this results indicator.

Reports for the SO-6 activities in terms of percent of counterpart contributions and is considered to be a good indicator. DAI's Quarterly Progress Report for September 2003 did not report on Result 1.3. However, it is included in DAI's monthly Quantitative Evaluation.

This indicator was intended to measure the contributions of local organizations to meet their administrative and operational requirements. It was planned that most activities could be maintained without subsidies by the end of the project. It is questionable whether the indicator really reflects the degree of independence or financial sustainability of local organizations or whether their status reflects the overall subsidy/sustainability picture. In fact, due to the lack of reliability and applicability, the indicator was dropped in Modification 17 of DAI's Contract

Production Credit: Selected Issues and Recommendations

There is a need to promote market based production credit in the Chapare to replace unsustainable incentives and achieve sustainability in the production of licit crops. It should be noted, however, that according to current agrarian reform laws, rural properties classified as "small producers" cannot be used as collateral for loans — whether titled or not. The large majority of Chapare farms fall within this classification.

Three small cooperatives, (CIDRE, PRODEM and CRECER) are providing production credit to Chapare farmers using other collateral, such as farm animals, etc. CIDRE has a very small percent of default on its loans because they visit the farm of the borrower and identify it using portable GPS instruments. They track loans by farms in addition to borrowers.

Recommendation: The Assessment Team recommends that the on-going production credit activity be expanded using incentive funds in the same manner as recommended for investment credit. (See Result 4.1).

Results 1.3

Results 1.3 are not included in the DAI QTR Progress report for Sept. 2003. It was changed with Modification No. 6 and dropped by Modification No. 17. Apparently, the sub-indicators became part of SO 3 and CCVV activities.

Overview of SO1 Accomplishments

Considerable progress has been made by CONCADE with respect to the delivery of assistance and increasing the area of licit crops. However, the degree that "sustainable farm level production capacity has been established" varies with each licit crop and product.

Recommendations: The following are some recommendations that will help reach the goal of increasing the degree of sustainability of farm level production.

- Solve tutor and drying problems for black pepper. (Check Yungas C23 coffee drying for use in improving quality.)
- Passion fruit: solve tutor/wire cost problem.
- Pineapple: develop more suitable packing materials/cartons, and increase emphasis on pest control.
- Palm Heart: seek solutions to plant density and fertilization problems.

The question of “have we done enough” and “what was overlooked” should be reviewed crop-by-crop and organization-by-organization, and the decisions on the type and amount of continued assistance should be clearly established and definitely more participatory.

So3 - Alternative Development Local Organizations Strengthened

To measure progress towards this objective, the DA Assessment Team tracked the following results and sub-results. (See tables below).

Results 3.1

		Program Dec-02	Program Jun-03	Program Dec-03	Program Nov-04
DAI Contract:	3.1 Increased capacity for sustainability in farmer organizations. (No. of organizations)	50			
Mod. 6:	3.1: Development organizations in the Chapare effectively advance the interests of their members. (Increase in dues paying members – (10% per year.)	40%			
Mod.17.	3.1 Prime Contractor’s contribution to expanding organizations which are increasing savings for sustainability and regularly electing new officers in compliance with democratic principles.				
	<i>(Quantities not determined)</i>				
Qtr.Report Sep-03	3.1: Increased savings and democratic procedures in Second Level Farmer Organizations attributable to direct support from CONCADE-DAI. (No. of OSN’s and UNA’s)			8	12
C23 Mod.5	2.1 No of legally registered producer groups generating revenues and providing services to their members or clients (No. Orgs.)	60		70	
C23 Mod.9	2.1 Producer groups and women’s groups legally established (No. of groups)			130	
C23 Mod.9	2,2 No. Of producer organizations that pay, at least partially, their own TA.			50	
EO7	2.1 Provide vocation training to producer assoc to improve handling of their resources (No. of associations)			10	

Discussion of Quantitative Findings

DAI's Quarterly Progress Report for September 2003 shows that seven Second Level Farmer Organizations received assistance directly from DAI.

BOL/C23 Progress Report for September 2003 shows 126 women's groups organized and 47 producer associations paying part of their own technical assistance.

BOL/E07 Project Report for June 2003 indicates that 10-producer organization received training.

The Quantitative Analysis of DAI activities concluded that this results indicator is objective and practical, but points out that "the reliability of the data depends on the knowledge of the interviewee, subject to change if a different leader were interviewed". However, the Development Associates Assessment Team considers that this indicator and results are based on a relatively small sample of the universe of organizations, while the number of organizations fluctuates rapidly. Also, there are significant fluctuations in membership benefits associated with the levels of assistance going to or being provided by organizations which leads to significant fluctuations in the number of active members. The number of members at any particular time may or may not be an indication of the extent to which the organization is advancing the interests of the members or providing them with benefits over the longer term.

Discussion of Qualitative Findings

As with other results, it quickly becomes apparent with minimal investigative effort that most CONCADE assisted organizations are advancing the interest of their members, irrespective of whether their membership is expanding, or their members are paying dues, or they are providing technical assistance to their members. The interviews with representatives of these organizations, and especially with their members, served to solidly confirm this fact as they discussed the many different types of assistance and services provided by associations they belonged to. Yet, the field interviews produced very little information with respect to membership trends and the extent to which their interests were being advanced. Most discussions, complaints and opinions focused on members' interest in technical assistance, which is discussed below under Result 3.2. Three particularly significant findings with respect to this issue were:

- The lack of an association to serve the interests of black pepper producers. (Several producers stated that they are in the process of forming an association.);
- The lack of an organization to protect the interests of palm heart producers in the face of collusion by the three palm heart processors/exporters; and,
- Complaints by member associations that UNABANA takes too long to pay, even though they have been subsidized. (The reason is that UNABANA is trying to manage crop export rather than providing the product to seasoned and experienced exporters, who are in need of more products to export. The subsidies are upsetting the private enterprise system.)

There were also some respondent inferences to declining membership in banana and passion fruit organizations, but it is unknown whether these were isolated incidents or a reflection of trends.

Results 3.2

		Program Dec-02	Program Jun-03	Program Dec-03	Program Nov-04
DAI Contract:	3.2: Number of farmer organizations paying for their own technical assistance. <i>(No. of organizations)</i>	40			
Mod. 6:	3.2: Increased capacity for technology transfer. <i>(See amounts in sub-indicators)</i>				
Mod. 17	3.2.1: Number of legally registered organizations generating revenues which also provide services to their members or clients. <i>(No. of organizations)</i>	52	58		
	3.2.2: Number of farmer organizations paying for their own technical assistance. <i>(No of organizations)</i>	55	63		
	3.2: (Not included)				
C23 Mod.5	2.2 Sustainable local organizations less dependent on subsidies (No. of Org.)	15		25	
C23 Mod.9	2.3 Number of producer associations paying their own Technical Assistance (No. of Orgs)			50	

Discussion of Quantitative Findings

This results indicator was not included in DAI's Quarterly Progress Report for September 2003.

BOL/C23 Project Report for September 2003 shows that 47 producer associations are providing their own technical assistance.

The Quantitative Analysis of DAI activities found that Indicator 3.2.1 was a good measure of growth (or proliferation) of the number of organizations that generate some revenue and provide some services, but as a stand-alone indicator, it provides no sense of the volume of services provided. The Assessment considers that CONCADE subsidies have made this possible and it is not a reflection of the volume or quality of services provided or technology transferred.

Recommendation: The Quantitative Analysis found Indicator 3.2.2 to be direct and objective, but indicated that the adequacy is questionable because the definition of "paying" needs to be better defined. Now CONCADE is paying (reimbursing) costs for all promoters (extensionists) as part of the effort to get the new 'participatory extension system' underway. Under this new approach, neither of the above indicators is applicable and a new indicator needs to be defined.

Discussion of Qualitative Findings

Assessment findings with regard to increased capacity for technology transfer fall basically into two categories, based on the comments/opinions provided during the field interviews. Opinions

and comments related to the prior system of providing technical services tended to be negative while those related to the new system were all positive. Pineapple and black pepper producers praised the new system and particularly the use of technicians from the region. Banana and pineapple producers complained about getting planting material late and banana producers expressed a need for assistance to better manage fertilizer. Black pepper and citrus producers were particularly dissatisfied with technology transfer services of the past complaining that they had not received production assistance, only promises and that what they did receive was inappropriate. (It should be noted that CONCADE does not provide assistance for the production of citrus.)

Results 3.3

		Program Dec-02	Program Jun-03	Program Dec-03	Program Nov-04
DAI Contract	3.3: Increased capacity for technology transfer in GOB organization (IBTA/Chapare) <i>(Percent Increase)</i>	75%			
Mod.6:	3.3: (Not included. Activity transferred to IBTA)				

The reporting for this results indicator was transferred to IBTA and was not included in the Quantitative Analysis or the current assessment.

Results 3.4

		Dec-02	Jun-03	Dec-03	Nov-04
DAI Contract	3.4: Increased capacity for technology transfer in non-government/private organizations. <i>(No. of MT/Has per crop)</i>	135 13.5 10 0.9	Bananas Pineapple - Passion fruit - Palm heart - Black pepper		
Mod. 6:	3.4: (Not included)	3	-		

The reporting for this results indicator was transferred to IBTA and was not included in the Quantitative Analysis or the current assessment.

Overview of SO3 Results

Considerable progress has been made under CONCADE, but there continues to be a great need for organizational strengthening as many of these alternative development organizations are far from ready to stand on their own and effectively serve their members interests. (Some indicated that they were willing to provide their own technical assistance, but not at the salary rate paid by CONCADE.)

Recommendation: The Assessment Team found that the situation varies for each crop and it is recommended that an analysis be made of the groups of organizations for each crop in order to reach an agreement on how much additional assistance is required. The Team also found that many farmers do not belong to associations and sell products directly to truckers for local

markets. A strategy must be developed to provide or expand production and post harvest training to this group.

Other recommendations include:

- Older associations can provide assistance to newer associations and a methodology to encourage this self-help should be considered.
- Helping farmers to form private SRL companies like EMCOPAIVE in lieu of associations should also be considered. It is faster, less expensive, and brings them closer to the practice of private enterprise. This should be considered for black pepper growers.

2. Establishing Commercially Viable Markets and Increased Investment, SO 2 and 4

SO2 - Sustainable Market Linkages Established

To measure progress towards this objective, the DA Assessment Team tracked the following results and sub-results. (See tables below).

Results 2.1

		Program Dec-02	Program Jun-03	Program Dec-03	Program Nov-04
DAI Contract	2.1: Net income from CONCADE-assisted crops increasing by 3-4% annually. <i>(Annual income per capita.)</i>	\$1,960			
Mod. 6:	Net income from CONCADE-assisted crops increasing by 3.5% annually. <i>(Annual farm-gate value)</i>	\$1,828	\$1,864		
Mod 17:	2.1: Annual per family farm gate income from sales of licit agricultural/ livestock products. <i>(Annual farm-gate value)</i>			\$2,224	\$2,325
C23	3.1 Annual per family farm gate value of Chapare agricultural forestry and agro forestry products <i>(Annual farm gate value)</i>				
Mod.5	a. Forestry Products	\$1,828		\$1,864	
	b. Agro forestry Products	\$1,000		\$1,200	

Discussion of Quantitative Findings

The DAI Quarterly Report for September 2003 shows **\$2,138 annual farm gate value** based on a sample of 256 families and 8 different categories.

The annual farm gate value of forestry and agro forestry products had not yet been determined in the BOL/C23 Report for September 2003.

The Quantitative Evaluation concluded that this is not a credible proxy for income from crops because it does not reflect accurately either gross or net family income. Waste and Production costs are not considered. Also there is the question of the objectivity of farmer estimates/reports.

Discussion of Qualitative Findings

The responses obtained from CONCADE clients and stakeholders during the assessment fieldwork lead to the following general conclusions of a qualitative nature:

- Banana, pineapple, passion fruit and black pepper producers generally felt prices were favorable, had no complaints about returns and wanted to produce more.
- Palm heart and citrus producers were very dissatisfied with prices and returns on their production to the point of talking about abandoning these crops in some instances.
- Producers of livestock, flowers, honey and forestry products felt their returns and average incomes had increased due to the AD assistance they had received.

Results 2.2

		Program Dec-02	Program Jun-03	Program Dec-03	Program Nov-04
DAI Contract	Chapare produce and/or supplying agro-inputs on a regular basis. (No. of businesses)	80			
Mod. 6:	2.2: Agro-businesses purchasing Chapare agricultural products and/or supplying agro-inputs on a regular basis (No. of businesses)	85	90		
Mod 17:	2.2: Number of agro-businesses which regularly buy licit products and/or supply farm inputs in the Cochabamba Tropics (No. of businesses)			95	110

Discussion of Quantitative Findings

The DAI Quarterly Progress Report for September 2003 shows that 97 firms can be noted under this indicator. Sixty-eight were located in the Chapare and consist of the following: Packing plants and processors – 28; Service providers – 23, and Nurseries – 17. The composition of the other 29 companies based outside the Chapare is: Food processors –13; Supermarkets – 14; and Wholesalers – 2.

Unfortunately, the September 2003 Report from BOL/C23 did not contain up-dated results. The Program of Disbursements monthly report for September 2003 makes reference to 35 new businesses in the Chapare under R2.2.

The Quantitative Evaluation of DAI activities pointed out: “One of the requirements as defined in the PMP is that an agro-business must have at least \$25,000 annual gross sales.” This requirement cannot always be determined, and should be dropped. Other considerations would be separate those supplying from those buying and drop the “operating in the Cochabamba tropics” requirement and count only the end of chain customers. Also it should be noted that

Indicator 4.1 is closely linked to this indicator in that the same DAI unit generates the list of companies.

Discussion of Qualitative Findings

With a respect to the quality of the indicator, it should be a fairly good reflection of relative change in business activity and competitiveness within the region. However, it is not a good measure of business volume, which would better reflect the extent to which sustainable market linkages (SO2) are being established in the Chapare for CONCADE crops and inputs. Furthermore, the Quantitative evaluation pointed out that the inclusion of some classes and exclusion of others made for questionable counting and that the numbers reported included some defunct businesses. Therefore, the current Assessment looked beyond the limitations of the indicator to try to assess the extent to which this result has been accomplished.

An impressionistic review of business developments in the Chapare over the past few years, together with the opinions expressed by beneficiaries and stakeholders in the field interviews clearly indicates that **agribusiness activity has increased significantly in both volume and diversity with CONCADE support**. Among comments by CONCADE clients which point to this expansion are: "new markets have been opened and sales have increased significantly"; "we are selling everything we produce"; "we are selling our fruit now"; "prices have increased thanks to new marketing services"; and, "we have learned to diversify to progress". At the same time, CONCADE clients pointed out needs for further expansion and improvement of the services provided by agribusinesses. At the top of this list is a need for greater efficiency and competitiveness to lower the cost and improve the quality of inputs and to ensure the best price for Chapare products. Fertilizer costs for palm hearts, the cost of wire for passion fruit trellises, and packing material (boxes) for bananas were most mentioned. Other service areas mentioned for improvement included the apparent collusion among the 3 palm heart processors to control the price paid to farmers, and the need to further develop market channels for most products, especially citrus marketing and processing. (However, before any judgment can be made, it is necessary to have all the costs in order to determine if the processors are making a good profit and can afford to pay more to the producers.)

Recommendations: Investigate ways to lower the costs and improve quality of inputs. For example, all associations should combine their to buy fertilizers. Volume purchases would lower prices.

A study is needed urgently to determine the costs of harvesting, processing, and transportation of palm heart. The end user wholesale and retail prices should also be investigated. It will be important to determine the profit margins of the broker in Buenos Aires, who supplies wholesalers in Europe with Chapare palm heart.

NOTE: In the DAI Contract, Results Indicator 2.3 states "Agro-businesses exporting Chapare produce on a regular basis." Modification No. 6 dropped this definition, and Results Indicator 2.4 in the Contract became 2.3.

Results 2.3

		Program Dec-02	Program Jun-03	Program Dec-03	Program Nov-04
DAI Contract	2.4: Market value of licit crops increasing by 20-30 percent annually. (\$ x million) (Note change in Indicator No.)	\$91			
Mod. 6:	2.3: Marketed value of Chapare licit crops and livestock increased (wholesale value in \$ x million:)	\$76	\$80		
Mod. 17:	2.3: Wholesale value of licit agricultural and livestock products leaving the Cochabamba Tropics. (<i>\$ x million</i>)			\$32	\$35
	2.31: Dollar value of sales from a selected set of Unions of Producer Associations (UNAs) or CONCADE-assisted enterprises, including export sales. (\$ x 1,000) NOTE: To be measured in 12/2003)			\$250	\$350
C23 Mod.5	3.2 Wholesale value of licit forestry and agro-forestry products leaving the Chapare (<i>Annual value X \$1,000</i>)	\$1,750		\$2,500	

Discussion of Quantitative Findings

The DAI September 2003 Quarterly Report shows \$26.5 million for 2.3. The results for 2.3.1 were to be determined. The Report states that “ The wholesale value of all licit products leaving the Chapare, including milk and meat, was US\$ 9.8 million in third quarter 2003. This is a 54 percent increase over the over the same quarter in 2002 (Exhibit 37). During this time last year, palm heart processors were just beginning to recover from the Argentine economic crisis. The value of industrialized products reflects this recovery with an increase of 184 percent for sales during the third quarter 2003 in comparison 2002 figures for the same period. Other major increases were fresh fruit sales (a 48% increase) and tubers (a 46% increase) compared to the same period in 2002.”

The BOL/C23 Project Report for September 2003 shows a wholesale value of \$3,026,000 for forest and agro forestry products

The Quantitative Evaluation's analysis of this indicator determined that it was a very good measure of relative change in value of exports from the Chapare, given the consistency in data collection and measurements from one year to the next. The only shortcoming is that it may consistently underestimate the absolute real value of licit crops and livestock for two main reasons. First, the data collection methodology appears to "consistently" miss some of the products leaving the Chapare and consistently under values some types of exports. Second, not all products are exported from the Chapare and internal consumption is constantly increasing.

Discussion of Qualitative Findings

Information collected for this Assessment did not generate much additional insight with regard to the extent to which this result has been attained. However, producers and processors frequently mentioned the need to further expand market opportunities. Obviously, more successful efforts to expand market development and improve the quality and characteristics of products to increase volumes for existing markets and to gain access to new markets would further increase the value products leaving the Chapare.

NOTE: Modification No. 6 changed the DAI Contract Results Indicators 2.5, 2.6 and 2.7. 2.5 became 2.3.1; 2.6 became 2.4; and 2.7 was moved to 4.2.

Results 2.4

		Program Dec-02	Program Jun-03	Program Dec-03	Program Nov-04
DAI Contract	2.6: Licit agricultural-based employment (No. of jobs) (Note change in Indicator No.)	6,000			
Mod. 6:	2.4: On-farm employment created in licit Chapare agriculture. (No. of jobs)	50,500	51,750		
Mod. 17:	2.4: Number of on-farm jobs created in licit farming and ranching activities in the CBA Tropics. (No. of jobs)			55,000	57,000
	2.4.1: Prime contractor's contribution to increasing the number of on-farm jobs in farming and ranching (No. of jobs)			7,200	11,700
C23 Mod.5	3.3 On-farm and off-farm employment in forestry and agro forestry sectors (No. of jobs) a. On-farm	2,000		2,500	

Discussion of Quantitative Findings

The DAI Quarterly Progress Report for September 2003 shows 52,997 jobs created under 2.4 and 17,905 jobs created under 2.4.1. Data for this Result Indicator come from satellite imagery analysis and the application of average labor inputs per crop and per hectare. This indicator will be measured again by DAI and reported in the December 2003 Quarterly Report.

BOL/C23 Project did not include results in its September 2003 Progress Report.

This indicator is estimated as a constant function of indicator 1.2. Thus, it is probably a reasonably accurate indicator of relative change in on-farm employment in licit Chapare agriculture. However, it provides little value added to the measurement of results, especially in terms of what it contributes to the AD objective. People migrate in and out of the Chapare because some jobs are seasonal. Therefore, no additional effort was made to assess the extent to which this result was achieved.

Recommendation: The Mission should not use this indicator for future projects.

Overview of SO2 Attainment

In general it is clear that the marketing assistance provided under CONCADE has been of great value. It would not have been possible to achieve even a fraction of the success attained to date without the hard work and commitment of CONCADE partners. It is also clear that the four sub-results have been accomplished in many ways to a much greater degree than even the farmers might have hoped for given past history. Unfortunately, despite these rather remarkable accomplishments, SO2 has not been achieved to a very large extent because the sustainability of many these linkages are questionable. Without the subsidies, Chapare products would likely not be 'competitive' in the markets to which they are linked. Also, access to these markets is dependent not only on price and competitiveness, but also on regional trade relations, which tend to be informal, volatile and unpredictable.

Selected recommendations for SO2

- Increase emphasis on expanding local market for passion fruit to replace imports of concentrate.
- Reduce favoritism and paternalism with UNABANA, which is upsetting the free enterprise system for exports. Other exporters need more bananas, and the inherent increase in competition would have generalized salutary effects.
- Significantly expand efforts in assessing markets for Chapare products, placing additional emphasis on analyses for new crops such as camu camu, achiote (seek lessons from Yungas experience), cacao and Chapare coffee.
- Tropical flowers: See the preceding point plus lessons from MAPA in Cochabamba valley.
- Palm heart: assist processors and producers resolve pricing issues and develop collaborative relationship among them.

So4 – Private Sector Investment and Agriculturally Based Industries Stimulated:

To measure progress towards this objective, the DA Assessment Team tracked the following results and sub-results. (See tables below).

NOTE: Modification 6 changed DAI Contract Results Indicators 4.1 and 4.2, which concerned investment credit.

Results 4.1

		Program Dec-02	Program Jun-03	Program Dec-03	Program Nov-04
DAI Contract	4.1: Investment Credit needs identified 12/2002 (No. of applications)	10			
Mod. 6	4.1: Increased investments by the business sector (\$ x million)	\$37	\$38		
Mod. 17	4.1: Value of business sector investment in the Cochabamba Tropics. (\$ x millions)			\$59	\$62
	4.1.1: Prime contractors contribution to increasing the value of private sector investment in the Cochabamba Tropics. (\$ x millions) Note: To be measured 12/2003			\$55	\$58
C23 Mod.5	4.1 Supplies of new material for the forestry industry increasingly harvested from areas under forest management (%)	40%		50%	

Discussion of Quantitative Findings

DAI Quarterly Progress Report for September 2003 shows \$56.4 million for 4.1, which consists of the following: Plantations - \$ 8,187,000; Food processors - \$5,836,000; Plantations/processors - \$5,445,000; Nurseries - \$734,000; Credit lenders - \$ 310,000; Transport services - \$ 650,000; Service providers - \$ 1,427,000; Producer Associations - \$ 27,425,000; Hotels and Tourism -\$ 6,386,000; Sub-total \$56,400,000. In a separate category: Petroleum and Gas Companies - \$17,700,000 and Investments Outside the Chapare - \$1,360, 000 for a total of \$75,9000,000.

The DAI report for 4.1.1 is to be reported in December 2003.

BOL/C23 Project report for September shows 76% of new materials for the forest industry, but we did not capture the dollar amount.

The Emergency Stabilization Support Activity Report for September 2003 shows \$1,323,000 invested for R4.1.

According to the Quantitative Evaluation, this indicator does not accurately measure increased investments. It provides a measure of estimated commercial value of businesses, including land and "goodwill", and not new capital inflows to the Chapare.

Discussion of Qualitative Findings

The fieldwork conducted for this Assessment produced very little direct information with respect to investments. Given the wide variety and number of agribusiness readily evident and providing services in the region, there has obviously been a very large amount of investment made over the past few years. More importantly, as evidenced by the degree to which producers and agribusinesses themselves are able to access the services they need to be productive, these investments have been well located from both the demand and geographic perspectives.

Even with the extensive investments to date, the opinions and comments of CONCADE clients and stakeholders point to the need for much greater investments in both production and marketing services and infrastructure, including harvesting and processing. As mentioned earlier, huge investments of this nature are needed to provide more banana producers access to the export markets. If solutions to production problems can be solved and profitable markets identified for citrus, this is another crop that will require huge investments on both sides of the equation. Citrus producers certainly expressed a felt need for such activity. There is also a need for investment in processing and drying facilities for black pepper. The Spanish Cooperation has recently agreed to provide a large drying facility which responds to this need for productive infrastructure.

It should be noted that CONCADE resources have heavily subsidized a large portion of such investments to date. The subsidies cover everything from facilities and equipment to operating capital across the gamut of productive sectors. There can be no question that without these subsidies, many of the investments made by the private sector would not have been made or would have been abandoned before now. Unfortunately, these subsidies have produced major distortions of the costs and returns equation for many Chapare enterprises, such as banana exports. Many Chapare enterprises are not based on the economic reality of the region, which may prove to be their Achilles heel. The full extent to which these distortions have built up unsustainable expectations and lead to major disappointment or disinvestments is unknown and beyond the scope of this assessment. However, there is certainly a clear danger of this happening for a significant number of Chapare enterprises in both the production and service sectors.

Significant and sustainable improvements in the investment climate for the Chapare and Yungas are topics that call for greater priority attention, particularly for dealing with the numerous challenges to improved rural competitiveness. An improved balance between the significant priority accorded to the elimination of coca production and cocaine related activities by the GOB, and the level of allocation of its resources needs to be sought. Compounding this problem is that the level of investment in AD by the international financial entities, especially the World Bank and IDB, is very meager compared to the annual level of concessional resources allocated to eligible countries by these institutions. These concessional resources are provided (grant) to the IFI's by their non-borrowing members. Investment in AD by these institutions should more closely reflect the priority of the narcotics policy agenda of the United States and other non-borrowing members, as well as the priority of the social and medical effects of drug use in Bolivia and other countries that are the targets of illicit drug traffic.

Another major missing element for expanding investment is a functional, sustainable market based credit program. The current investment climate of the Chapare is not highly conducive for attracting such market based financing, largely due to the investment issues noted in this assessment.

Results 4.2

		Program Dec-02	Program Jun-03	Program Dec-03	Program Nov-04
DAI Contract	4.2: Investment credit fund established and operational. (<i>No. of businesses</i>)	5			
Mod. 6	4.2: Non-farm employment in licit Chapare Agribusinesses (<i>No. of jobs</i>)	550	575		
Mod. 17	4.2: Non-farm jobs created in the in the licit agribusiness sector (<i>No. of jobs</i>)			700	750
	4.2.1: Prime contractors contribution to increasing off-farm employment in agribusinesses in the Cochabamba Tropics. (<i>Not determined</i>)				
Qtr Report 9/2003	4.2.1: Increased number of off-farm jobs in agricultural industries attributable to direct support from CONCADE- DAI (<i>No. of jobs</i>)			600	650
C23 Mod.5	3.3 On-farm and off-farm employment in forestry and agro forestry sectors (<i>No. of jobs</i>) b. Off-farm	280		300	

Discussion of Quantitative Findings

DAI Quarterly Progress Report for 2003 states that **765 off-farm jobs** reported in the Chapare in third quarter 2003, an increase of twelve percent compared to the 681 jobs reported in 2002. This suggests that Chapare agribusinesses are generating increasing employment in off-farm jobs in the packing, processing and service sectors. The Report also indicates the 605 jobs were directly contributable to DAI's activities

The BOL/C23 Project reports 255 off-farm jobs created in it September 2003 Report.

The BOL/EO7 Project Report (not included in the Indicator) for September 2003 states that it has contributed directly to the placement of 274 youth in the labor market and indirectly contributed to the placement of 1,141 you trained by the Project, which include on-farm as well as off-farm jobs.

Discussion of Qualitative Findings

This indicator is measured and tracked through technically sound surveys and provides a good and accurate measure of increased employment in licit Chapare agribusinesses. The Assessment Team did not seek information to provide additional insight with respect to the quality of the results achieved in the area of employment creation, but there seems to be some duplication in reporting the number of jobs crated. The relatively small number of agribusiness jobs generated relative to the need for employment in the region certainly prompts the question: "What more should CONCADE be doing to create non-farm jobs?" Certainly the economic activity and growth associated with CONCADE has induced development within the region and has generated non-farm jobs, either directly or indirectly, besides those in the agribusiness sector.

Recommendation: A multifaceted program such as CONCADE very likely has numerous indirect benefits in terms of employment, generation of small business, positive results from increased household income, and surely many others. The Mission should devise a simple but effective system to monitor and assess such indirect effects at the community level to enhance the positive perceptions of AD, which would be a sound complement to the recommendations in this assessment regarding the need for a communication s program. Serious consideration should be given to allowing the assessment of indirect impacts to be managed at the community level and to vary according to the unique situations that prevail among communities.

Overview of Results SO4

There is no doubt that private sector investment and agriculturally based industries in the Chapare have been stimulated and some outside the Chapare as well. How many will be sustainable after having been stimulated remains to be seen. Some will not survive, which is a natural phenomenon in a free enterprise system. What is really needed from this point forward is a system of investment credit by Bolivian banks at commercial rates. They have been, and are, unwilling to make loans to Chapare based businesses due to the risks involved. USAID and other donors must investigate mechanisms to overcome this unwillingness. Some successful examples from other countries should be sought. Continued incentives will upset the free-market system, which must be in place to achieve a significant increase in sustainability.

3. Other Activities

So-6: Emergency Stabilization Support

DAI Contract Modification No. 4, signed January 2001, created a special fund to counter prolonged episodes of civil unrest in the Chapare, which was sporadically paralyzed by a total blockade of the main roads by coca growers protesting the GOB's eradication program. By some estimates, the cost of the civil unrest to the Bolivian economy was \$500 million.

The proposed results of SO 6 were to compliment activities in place under SO1, SO2, SO3 and SO4. The conceptual basis for these SO's is **"to do the work of an architect, whereas the conceptual basis for SO 6 is to do the work of a fireman."** The results proposed for these emergency activities, and the indicators and targets defined below are consistent with and parallel to the performance basis of the other CONCADE results. Seventy percent of the funds allotted under Modification No. 4 were to be directed to grant activities. Subsequent Contract Modifications increased the amount of funds and this percentage may have changed.

Results 6.1: Rapid Grant and Service Assistance delivered to agricultural production sector and other related economic activities supported.

According to Modification No.4 to DAI's Contract, Result 6.1 impacts on Results 2.1, 2.2, 2.3, 2.4, 2.5, 3.2 and 4.3. It should be noted that these Results have been changed with subsequent modifications.

6.1. Performance Indicator: Percentage of funds disbursed for emergency stabilization in the Cochabamba tropics, by category of recipient.

DAI's Progress Report for September 2003 shows that 40% of the funds for 6.1 were to be disbursed by December 2003 and that only 4.3% was disbursed by the end of September. The report provides numerous charts on amounts expended, including a chart of expenditures by credit line Indicator number (CLIN).

SO2: Producer Marketing Linkages Restored and Enhanced

Modification No. 4 states that Result 6.2 parallels Results 2.1, 2.2, 2.3 and 2.5. As indicated above, these Results have been changed with subsequent modifications.

6.2 Performance Indicator: Producer/Processor/Exporter Commercial Linkages and Agreements for Domestic and Export Sales Restored and Enhanced.

DAI's Progress Report for September 2003 did not include Result 6.2

SO3: Emergency Financial Assistance Extended to Agribusiness and Private Sector

Modification No. 4 states that Result 6.3 is directly linked to SO4 investment promotion results. In addition it will impact virtually all of the agribusiness marketing Results 2.1, 2.2, 2.3, 2.4, 2.5 and 3.2, which, as indicated above, have been changed.

6.3 Performance Indicator: Emergency Financial Assistance for Agribusiness and Service Sector Established and Loans Disbursed

DAI's Progress Report for September 2003 did not include Result 6.3

DAI prepares a monthly report titled "Programa de Asignaciones" (Program of Disbursements). The report for September 2003 does not indicate what portion of the disbursements was for emergency financial assistance. It shows that a total of \$15,088,000 has been approved for 635 projects and that \$11,584,000 had been disbursed. The amounts are not shown by the above Results Indicators, but show disbursements by the following categories:

- Private Firms outside the Chapare; Private Firms in the Chapare, and Producers.
- Types of assistance
- Amounts for each stage in the production – market chain
- Amounts approved per family by crop, etc.

The report also provides a list of projects approved during the month showing the recipient, purpose and amount.

Discussion of Qualitative Findings

There is abundant evidence that emergency interventions were carried out and that the disbursement of funds took place. However, due to the complexity and number of the CONCADE activities, it is difficult, if not impossible, to measure the results attributable to the \$11 million disbursed.

Overview of SO-6 Results

It was hoped that farmer counterpart contributions would increase gradually leading to an end to dependence on subsidies. However in most cases these counterpart contributions have not increased beyond the 10-15 percent level. Very few if any farmer associations could financially sustain the level of services without subsidies.

Private sector counterpart has only increased to around 50 percent and many of the "private sector businesses" would have ceased to exist, and some will not continue to exist, without CONCADE subsidies. Of the five primary crops, it is very questionable whether or not palm heart and many banana plantations can be sustained without continued subsidization in the short term. Certainly, few if any of these crops would be where they are today without the huge role subsidies have played in bringing them to this point. Many of the local (producer) associations would disappear without CONCADE subsidies. The new technical assistance (extension) program approach, highly complemented by CONCADE clients and the basis for much hope for the future, is nearly 100 per cent dependent on CONCADE financing. The sheer magnitude of the CONCADE Grants Program and its popularity among clients is very telling in this regard. The most problematic elements of the subsidy problem lie within this program. Extensive investment in roads, other community and productive infrastructure are largely a result of CONCADE support/subsidies. While the AMVI roads program shows a great deal of promise to become self-sustaining, it has not yet reached that point.

The problem of subsidies and the extent to which they have created a mind-set of dependency was evident in the interviews with CONCADE clients. Also, there were complaints about unequal or unfair treatment with respect to the distribution of direct (grants) and indirect (assistance) subsidies. Beneficiaries' hopes and expectations with respect to AD assistance in the future have been shaped by the long history of subsidies. Old clients expect it to continue, and many new and potential clients expect to benefit to the same degree as their colleagues have in terms of subsidized assistance. Some illustrative comments made by CONCADE clients and stakeholders are: "the only good thing they have done is the compensation for lost export opportunities"; "should subsidize fertilizer for farmers"; "please don't think about stopping the program, we need it for at least two more years"; "in reality, it (CONCADE) has sustained us"; "only a small portion of the farmers have been provided infrastructure and it should be provided for the rest"; and, "support is provided to only some of the associations, leaving out many capable producers" (who are not members of an association).

Clearly, with SO6 funding, Result 1.3 "alternative development subsidies increasingly reduced" is not being attained. Little progress is evident and the prospects for progress in the short-term are not promising. In fact, the absolute level of subsidization across CONCADE activities is currently as great as or greater than ever. In addition if this issue is not addressed, the dependency, unrealistic expectations and feelings of unfairness that subsidies have unintentionally generated will make the success of the more participatory approach to sustainability now being promoted and implemented more difficult to attain.

Recommendation: The leaders of all organizations receiving subsidies should be invited to participate in a public-private sector workshop to address the issue of reducing these subsidies. Moreover, these and other regional leaders must participate in the planning and implementation

of follow-on programs so that they themselves can plan how subsidies are to be replaced with their own contributions.

B. ACHIEVEMENT OF RESULTS AND OBJECTIVES AND LESSONS LEARNED: YUNGAS

1. Results

The Yungas Development Initiative (YDI) began in January 2001 and is based on the assumption that voluntary reduction in coca production can only be achieved if household incomes are increased and/or household costs reduced and the quality of life is improved. This voluntary approach recognizes a fundamental difference between the Yungas, where coca has been grown for traditional uses since before the Spanish conquest, and where such traditional production remains legal; and the Chapare, where all coca production is illegal and subject to forced eradication, and where participation in AD programs was conditioned on eradication of coca. Although coca production in the Yungas currently exceeds the amount needed for traditional use, and there is growing evidence that excess production goes to illicit uses, distinction between licit and illicit production is difficult and forced eradication is neither physically nor politically feasible under the present Bolivian government administration. Conditionality regarding reduction of excess coca is not applied to all AD assistance under the YDI, such as municipal governance, health, and some economic assistance. It does apply to all other AD financed activities

YDI consists of a fifth Intermediate Results indicator – IR5 and four sub-indicators – IR5.1, IR5.2, IR5.3 and IR5.4 within the AD Results Framework. YDI was designed to have one “cornerstone” activity – the Yungas Community Alternative Development Fund (YCADF)- and seven supporting activities. The YCADF activity and six of the seven supporting activities have been linked with IR5 and the four sub-IR’s in the following sections. The seventh supporting activity is included in the section titled Other Activities.

IR5 Basic Necessities Improved in Targeted Communities

The Yungas Community Alternative Development Fund (YCADF) is administered by ACDI/VOCA through a Cooperative Agreement, signed in October 2001. YCADF makes conditioned resources available for the provision of community selected social and productive infrastructure projects in exchange for negotiated coca reduction agreements with DIRECO. Following the agreement, the community meets with PDAR and others to select the project for the community. Once a project is selected and approved ACDI/VOCA is responsible for its execution.

Assessment Team members visited several ACDI/VOCA community projects in the Caranavi, Entre Rios and Palos Blanco areas. These included potable water systems, facilities for raising chickens, provision of citrus seedlings, and provision of gasoline “brush cutters”. The Team met the La Paz supplier of the “brush cutters” in Caranavi. He and two factory representatives were training the recipients on the use and maintenance of the equipment. This is an excellent example of how long-term benefits can be obtained with low-cost inputs.

Overall, the beneficiaries were satisfied with the results and commented on the timely response by ACIDI/VOCA following project approval. However, there were some observations worth noting for future projects: The existing community water system was insufficient to supply the additional chicken operations; the citrus seedlings were delivered at the beginning of the dry season, which resulted in a 50% loss.

IR5.1 Municipal Administration Capacity Improved

Chemonics administered the Expansion of Democratic Development and Citizen Participation Project (DDCP) under a contract with USAID that terminated in September 2003. (It is now administered by International City managers Association -ICMA- under a new contract.) DDCP had a key role in creating and strengthening the Commonwealth of Municipal Governments (Mancomunidad) in the Yungas consisting of eight Yungas municipal governments. DDCP also developed the Participative Municipal administration Model (PMAM), which has been adopted as the official guide for municipal governments, and is a sub-activity under IR5.1.

IR5.1.1 Municipal Governments implement the Participative Municipal Administration Model (PMAM)

This sub-activity has several indicators to show progress by municipalities in adapting and putting into practice PMAM.

The Assessment Team met with the Mayors and other municipal authorities in Caranavi, Chulumani, Coroico, and Palos Blancos. AD activities and sub-activities are closely coordinated with, and provide support to, the development of the Municipal Annual Operating Plans (POAs), which include the requests from the communities for municipal assistance. The civil Vigilance Committees, composed of representatives from the various communities, assure the participation of the community beneficiaries of AD projects. The Vigilance Committee is a key grass-roots link. All projects receive some funding from the municipalities and the communities provide materials and labor.

The Team did not sense a direct participation by the communities in the selection of AD projects, which usually corresponded to those already in the POA. The topic of municipal participation in AD activities is amply discussed in Chapter III of this assessment and in the Chapter IV titled “A Bolivian Perspective”, and is a core theme of this Assessment along with the topic of sustainability of AD efforts, and greater GoB and Donor investment requirements.

IR5.2 Net, Licit Family Income Increased

There are two supporting activities under this IR.

1. The expansion of the Market Access and Poverty Alleviation Project (MAPA) is administered by Chemonics under a contract with USAID. This supporting activity consisted of improvements in harvest, post-harvest and marketing processes to improve the quality and market access for high altitude coffee grown in the Coroico and Caranavi municipalities. This activity was expanded to include tea grown in the Entre Rios area.

Assessment Team members visited a tea growing community in the Entre Rios area. The activity was in its' initial stages and consequently no results had yet been produced. However, this activity is very much needed to improve the quality of the tea being produced. The members also visited the tea processing plant being reconditioned by MAPA. The Team had one observation: No information was provided as to the market for Yungas tea.

The team also visited the recently completed Buena Vista coffee processing plant in Caranavi. The plant was built to receive the quality coffee being produced in the communities assisted by MAPA and C23. The manager stated that MAPA had installed coffee de-husking and drying facilities in 14 communities.

2. The expansion of the Forestry and Agro-Forestry in the Yungas is administered by FAO and is funded by USAID under an agreement with UNODC. This supporting activity aims at providing licit economic opportunities to improve income of families in the region, specifically in the coffee and forestry sectors. This activity has several sub-activities to measure progress towards fulfilling IR5.1.

The members of the Assessment Team visited two C23 community projects near Caranavi. The projects consisted of building facilities and installing equipment for de-husking coffee berries and drying coffee beans. The beneficiaries were very satisfied with the facilities and the assistance received from C23 personnel. The team had one observation concerning the need to provide low cost tables for drying coffee beans (instead of drying them on the ground) which improves the quality of the beans. All coffee, cacao and black pepper growers should adopt these tables to improve the quality of their products.

IR5.3 Infrastructure Coverage Increased and/or Improved

There are two supporting activities under this IR.

1. Expansion of Caminos Vecinales: This supporting activity is carried out by “Caminos Vecinales” – CCVV, a GOB agency funded by USAID to carry out Yungas road maintenance, road improvement, bridge construction and stone paving (cobblestone) activities in Yungas.

The team members visited the bridge construction projects in the Palo Blanco area. The bridges were well constructed and appeared to be on schedule. All communities expressed gratitude for these bridges, because they allow producers to have year-around access to markets for their products. The Team visited the CCVV compound in Caranavi. The employees did not know that CCVV was part of AD.

There is one observation worth considering: Most of the residents and participants did not know that the bridge builders are contracted by CCVV, and they are not sufficiently aware that they are part of AD financed by USAID.

2. Rural Electrification: NRECA International Ltda. is carrying out this supporting activity under a contract with USAID. It consists of three sub-activities: La Asunta Sub-project; the Caranavi Sub-project and the Palos Blancos Sub-project.

The AD Assessment Team visited several communities beyond Palos Blancos that are beneficiaries of this activity. They all expressed gratitude. The only “complaint” was the cost of the meter (\$100) to receive a connection from the grid. That is almost the equivalent of two months income for most of the people in the area, and many could not afford it. Team members visited the PRODEM office in Palos Blancos and encouraged the manager to devise a program of loans for the purchase of meters.

Recommendation: AD should investigate the possibility of an incentive for the financing of meters. Some communities that already had their connections wondered why they had to wait several months for electricity. Obviously, this is a technical issue. However, the question is – “can electricity be provided by sectors as the grid advances?”

IR5.4 Improved Health

An expansion of health services for the region is being provided by a local NGO “SERVIR” under a cooperative agreement with USAID. These services include expanding infectious disease control; treatment and improved health services through community health workers; and the provision of improved access to potable water and basic sanitation infrastructure. A second agreement included the installation of potable water systems and sanitary bath facilities, which was later transferred to ACIDI/VOCA.

Time did not permit the review of Yungas operations of this activity by the Assessment Team.

2. Lessons learned

Cooperation and coordination between NAS/DIRECO and USAID/PDAR in the initial stages of the Yungas operations were a considerable improvement from what occurred in the Chapare operations prior to CONCADE. However, the Team recommends that NAS and DIRECO participate in the Yungas coordination meetings in order for them to get a better understanding of implementation problems and for the implementers to get a better understanding of coca related problems. The scenario in the Yungas is different than the Chapare situation, but there is no doubt that the coca problem is increasing in the Yungas and that AD efforts are going to be more complicated in the future. This is evidenced by the increase of coca being grown in the “traditional coca” and South Yungas areas. There must be a very close coordination among Country Team agencies and USAID contractors and grantees in the approach to these areas. The success of AD in developing buffer zones in the non-traditional coca areas in the northern and eastern portions of the Yungas remains to be tested

On the question of synergies among diverse types of interventions, AD operations in the Palos Blancos area of the Yungas is a good example. Palos Blanco is a major producer of citrus, cacao and other crops. The availability of electricity in combination with bridges and improved roads along with other interventions by AD to improve production has already had a solid positive impact. These linked AD actions are precisely the factors that will attract investors, improve the investment climate, leading to increased non-subsidized production. However, it must be noted

that there are external factors to be considered that are beyond AD interventions. If the producers cannot transport their produce to markets because of road blockages and demonstrations by coca supporters in other areas, they may look for an alternative – coca – that does not encounter such problems.

Another example of synergy using similar types of interventions is the coffee improvement program in the Coroico and Caranavi areas in the post harvest and processing stages. Although the Team did not get a distinct impression of close coordination between MAPA and C23 activities in this program, such activities so demonstrate methodologies and merits of working with communities, cooperatives and private companies toward a common objective. The program can be successful if it also includes coordinated maintenance and improvement of roads to deliver the coffee beans from the farms and communities to the processing plant and the processed coffee from the plant to markets.

Each of the activity and sub-activity implementers in the Yungas are being carried out well and achieving an impact that beneficiaries recognize. The approach of carrying out projects that require little follow-up, such as the installation of post-harvest coffee facilities and potable water systems, are what sets YDI apart from CONCADE. However, it must be noted that implementers drive long distances down the same roads to communities in the same areas to carry out their projects. These types of projects are not “rocket science”. A better approach would be to divide the Yungas into three zones with a resident implementer in charge of each zone carrying out these same activities using local contractors and field technicians to the maximum extent possible. The Yungas Coordination Committee would have a major role in approving projects and in coordinating actions among suppliers of inputs and equipment. When the zone implementers require specialized technical assistance, it should be provided under IQC contracts.

The same approach should be considered for follow-on activities in the Chapare.

C. USAID THEMATIC QUESTIONS

The Mission requested the Assessment Team to address the following questions or issues arising out of its past experience with the AD program emphasizing the Chapare and the CONCADE program:

- *In addition to the economic development approach emphasized under the program, what are other key focus areas this Mission should consider to help sustain coca reduction?*
 - *What was effective in inducing a shift to licit crops in the past?*
 - *Are there institutional issues that significantly constrain AD in the Chapare?*
- 1. *In addition to the economic development approach emphasized under the program, what are other key focus areas this Mission should consider to help sustain coca reduction?***

This discussion is based on the premise that the more appropriate question is "what was left out of the economic development approach", rather than "what was overlooked by the economic

development approach". This premise is founded on the assumption that, within an expanding population, improvement in overall well being is much more likely to be achieved with an expanding economy...making the pie larger. At this juncture of hindsight and analysis of what was the AD approach and what should be addressed next, there is general consensus that a key missing ingredient is that of economic governance. An acceptable definition of economic governance, according to the LAC White Paper on Rural Prosperity is: "the enabling environment within which the economy functions; it implies the need to ensure stable, transparent and predictable rules and regulations that encourage competition and equitable access to public services. Economic governance is achieved through a country's public *and* private sector institutions that exert a determining or guiding influence in or over how individuals, enterprises, and/or countries carry out economic transactions". Applying this definition of standards of economic governance in the case of the Chapare ready leads to the conclusion that reasonable expectations for some substantial degree of such improvements is a medium term prospect at best, and more realistically are probably a matter of long term expectations even under favorable assumptions and scenarios. Nonetheless, the sad truth is that without significant improvements in economic governance, economic development, and thereby, Alternative Development, has little chance to achieve sustainable degrees of impact and success.

Appropriate governance must have its foundation in the laws of the nation and be strictly implemented by institutions empowered by the State to do so. Such an instrument for providing justice and stability in the Chapare was assumed rather than provided for by the CONCADE program. As a result, the essential role of the rule of law has been highly limited in the economic development of the Chapare, particularly in terms of enforcing laws and regulations essential to AD objectives. Without the rule of law and the stability and predictability it establishes, the investment environment will not be conducive to making sustainable public and private sector investments.

The condition private sector investors most insist upon is some notion of the risk (probability) of realizing anticipated returns and recovering their investment within a time frame that is consistent with prevailing risk perceptions. Without rule of law and the stability associated with it there is very limited sound basis for estimating risks and assuming investments will be recovered. The lack of a basis for predicting risk is no doubt the most significant constraint to investment in the Chapare. Without the commitment of the State to govern and to invest in governance of the region, the rule of law will not be established and risks will continue to be unpredictable. Under these conditions, instability will reign and those seeking a legitimate return on their investment will not invest.

Another critical missing ingredient to economic development in the Chapare, closely associated with governance, is **investment in social capital**. The social capital of a society includes the institutions, the relationships, the attitudes and values that govern interactions among people and contribute to economic and social development. Social capital is not simply the sum of the institutions that underpin society; it is also the glue that holds the fabric of society together and without which there can be no sustainable economic growth or human well being. It is the shared values and rules for social conduct expressed in personal relationships, trust, and a common sense of "civic" responsibility that makes society more than a collection of individuals. Without a degree of common identification with forms of governance, cultural norms, and social rules, it is difficult to imagine a functioning society. (World Bank, June 1998). Without such a

functional society, there can be no functioning economy. This critical element of social capital is another key ingredient to economic development that is sorely lacking in the environment for economic growth within the Chapare and was overlooked by the CONCADE design.

Again with the benefit of hindsight, it seems obvious that a third missing ingredient of the CONCADE program is the lack of a mechanism to exploit popular 'politics' when possible and to defend against them when necessary. Events over the past two years have clearly demonstrated the comparative advantage of those opposed to AD in the political arena when it comes to either influencing the general populace for purposes of gaining support for an agenda. Clearly the importance of political agility has been demonstrated to be key to keeping the AD program on track.

The preceding discussion serves mainly to reconfirm what has been brought to light by earlier assessments of the AD program, and is also discussed in different terms and at much more length in the recent AD strategy assessment.

2. *What was effective in inducing a shift to licit crops in the past?*

This question is fundamentally the preceding question in reverse; and, in most respects, the answer is a mirror image of the previous response. Conditions that have induced coca growers to shift to alternative crops in the past are primarily economic and include:

- ▶ Eradication that forcibly took away their best and preferred economic opportunity accompanied by the risk of punitive repercussions associated with law enforcement.
- ▶ The presentation of a real, attractive, sustainable economic alternative with immediate or short-term payoff. An excellent example is the Yungas specialty coffee activity. In the Chapare, livestock and forestry appear to be offering similar potential as real economic alternatives in addition to instances where the five primary crops have been or are becoming profitable
- ▶ Conversely, unfavorable economic environments and the failure of AD opportunities to fulfill the economic expectations of clients have led to failures to induce the shift in the first instance or to reverse the shift if it was previously made.

A producer of a profitable crop (pineapple) says: "don't stop the program; we need it for two more years." A producer of another profitable crop (pepper) says: "it is clear that thanks to the AD program we are better off than those that remained in coca." Implicit in these statements are three factors related to making the shift and not reverting to coca: a profitable alternative, acceptance of AD, and being able to 'depend' on AD.

3. *Are there institutional issues that significantly constrain Alternative Development in Chapare?*

The discussion here deals with two institutional issues. The first deals with the C23 activity in the Chapare and its role in AD for the future. The second attempts to provide some insight for guiding changes in the 'institutional image' of AD in the Chapare.

C23 - The Assessment Team's findings with respect to the C23 program were, on the whole, extremely positive. Comments by clients and stakeholders in AD had only positive reactions and praise for the program. The 'good work' and 'results with high impact' such as increased returns in both forestry and livestock (improved pastures) were most frequently mentioned. The only negative was complaints that the activities had been discontinued. Instruments and modalities to continue the good work and positive economic impacts of C23 should be identified and implemented under CONCADE and the follow-on program.

CONCADE/DAI- During the numerous broad based interviews, respondents that deal directly with agricultural production unfailingly characterized their perceptions of current efforts in numerous dimensions, both positive and negative. Even after allowing for individualized comments, the team was struck by the very high degree of repetition of important themes in respondent's comments and perceptions. Themes that were most often repeated and particularly salient have been categorized for convenience, as they offer critical insights into the nature of client demand, particularly in transactional terms. Thus, they should serve as an important point of service orientation for future efforts.

Reliability - They lied to us about the existence of seedlings; they always promise, but then deliver late or only partially; we have not received effective technical assistance, only promises.

- ▶ Efficiency: Almost all of the assistance money goes to rent, fat salaries, etc.,
- ▶ Establish standards of efficiency: They don't consider all producers, only select associations.
- ▶ Simplicity: The level of bureaucracy has reached incredible levels...to draw out BS25 (\$3) you need six signatures.
- ▶ Reliability: They always promise, but then deliver late or only partially.
- ▶ Grass roots participation: Coordination is with the technicians and not with producers
- ▶ Participation and Inclusion: Producers should be included in planning.
- ▶ Elitist: The AD program has contributed a lot, but they have a very "uppity" attitude; spends more money on administration than on production, promise but don't deliver.
- ▶ Client service orientation: Too demanding with their conditions, even with recent lowering of requirements; and, at times too much emphasis on technical aspects.
- ▶ Client service/participatory emphasis: The new system of extension is clearly much better (multiple mentions). New approach will have benefits that reach far beyond agricultural production and marketing.

Probably the most outstanding factor observed during this assessment is the change in the approach to CONCADE/DAI extension activities initiated in March 2003. This change replaced the channeling of technical and economic assistance implemented by three independent agencies with a new system utilizing second tier producer organizations and using local promoters/technicians. This new system was highly praised by AD clients and stakeholders. The incorporation of their participation into the system was a major improvement towards making it much more user friendly and practical.

This extremely positive reception and rapid initiation of this much more participatory approach than has historically characterized the AD program is an excellent start towards institutional image enhancement. The incorporation of this type of participatory approach into other elements of the AD program would go a long way towards changing the perception that AD is a program

of 'us versus them' and something that is being forced upon its intended beneficiaries. This mind-set is currently dominant among AD clients, stakeholders and implementing entities alike and must be changed if the program is to achieve its objectives. This type of approach will lead to a widespread sense of ownership and responsibility for outcomes among all involved and promotes collaboration rather than 'competition' among participants, especially between implementing entities and clients.

D. LESSONS LEARNED

The discussion of lessons learned in this section is limited to those matters that are considered to be most important to agricultural production and marketing activities in the Chapare. For the most part, these lessons are not new. In one form or another, they are the hallmarks of successful approaches that have been distilled from decades of development experience. In this regard, most successful approaches will, at a minimum, possess the following qualities:

- ▶ Have good potential to produce lasting impact.
- ▶ Promote development without creating or perpetuating dependency.
- ▶ Ensure community and beneficiary participation, commitment and incorporate a means to ensure activities are demand/need driven.
- ▶ Incorporate proven measures, tools and approaches to strengthen the institutional capacities of local groups and organizations.
- ▶ Have a means to achieve validity with local officials, community leaders and organizations in politically sensitive and conflictive areas.

1. *Participatory Approach*

Clearly one of the most salient lessons learned from the AD programs in the Chapare and Yungas is the need to make the approach to AD more participatory and collaborative, from the design stage through implementation and institutionalization. Good examples of how this can lead to success are the AMVI experience in the Chapare, the Yungas specialty coffee activity, and more recently, the 180-degree turn-around in client perceptions of the CONCADE/DAI technical assistance program resulting from the shift to a more participatory approach. The approach to agricultural production and marketing in the future needs to do much more to ensure community and beneficiary participation, gain their commitment, and ensure activities are demand/need driven.

2. *Avoid Dependency and Use of Subsidies*

The extensive use of subsidies in the Chapare has distorted the economic reality and created a strong dependency on CONCADE in order to keep many activities afloat. To the extent possible, these dependencies must be eliminated in a manner that will allow productive enterprises to withstand the forces of the market. Where this is not possible, the enterprises must be allowed to suffer their natural economic fate. In the future, subsidies should be used very judiciously and limited to those cases in which there is clear evidence that they can be used without creating permanent dependency.

3. *Do the homework and promote interventions/enterprises with good potential to produce lasting impact*

The Yungas specialty coffee activity is a good lesson in this respect also. A high probability of success was determined before promoting and implementing the activity. This involved identifying the market and the constraints to access faced by Yungas producers and ensuring that these constraints could be overcome with interventions that were not beyond the capability of the clients and acceptable to them. Citrus (not under CONCADE) in the Chapare is a good example of how not to undertake commercial enterprises. Because the market and feasibility homework was not done prior to establishing production, it is now faced with a whole gamut of problems from disease to lack of markets, and will require a huge investment to correct mistakes before the industry can be turned around. (The same mistake should not be repeated with camu-camu, achiote, cacao and other crops being promoted.)

4. *Keep it Simple*

Some of the most successful examples in agricultural production and marketing are based on simple interventions. The initial expansion of the domestic market for bananas resulted from a simple improvement in quality through readily applicable changes in post harvest handling. The installation of cable systems is the single most important contribution to the production of export quality bananas. Exports to Argentina initially failed due to the simple (in terms of defining the constraint) lack of adequate transport facilities in the form of roads and refrigerated containers. Future AD interventions in agricultural production and marketing in the Chapare should focus on simple rather than complex solutions. The obstacles faced by Chapare agriculture are huge and risks are inherently very high when complex, high tech, high cost interventions are embarked upon. At a minimum, complex activities should be thoroughly tested on a small scale before broadly promoting them.

5. *Recognize and accept mistakes, discontinue bad investments and move on*

There are numerous examples of interventions involving the five primary crops where problems were encountered due to embarking on initiatives with a low probability of success. These problems were then aggravated by trying to solve them with subsidies. The cost of Alternative Development is high enough without adding the burden a heavy load of non-productive activities. The political and public relations costs of letting go of this burden must be managed and made acceptable. The recommendation made earlier in this chapter regarding Mission sponsorship of a public-private sector workshop on this matter could be an instrument toward resolution. Inherently it would be characterized and managed as a participatory approach to a problem that affects potential beneficiaries by unnecessarily draining resources that could be applied to more productive ends. The outcome sought should clearly avoid a clear distinction between winners and losers, in terms of those whose subsidies may be terminated and those who may benefit by such termination. A major selling point to be considered could be that amounts of funds approximating the amounts resulting from termination of subsidies (although fungible) would be identified and directed to community level activities as well as alternative productive activities in “losing” communities.

6. *Go with the winners*

The C23 activity has demonstrated that investments in the promotion of livestock (improved pastures) and forestry enterprises payoff in terms of returns to AD clients and that the C23 program has the institutional capability to implement these activities. These lessons learned should be expanded with continued AD investments in these activities into the future.

7. *Infrastructure investments*

Clearly the investments in roads, energy and other public (community) infrastructure have had a very high payoff in both the Yungas and the Chapare, in both economic and social terms as well as in improving the institutional image of AD. Also, agricultural production and marketing infrastructure has proven to be one of the most practical ways to increase productivity and competitiveness of Chapare products. Such investments in “public goods” could enhance the investment climate and could help to moderate risk perception, and begin the process of getting investors to be more comfortable with somewhat longer horizons for recuperating investments. Future AD interventions should consider and fund these types of investments where similar benefits/returns can be generated.

8. *Technology Transfer*

It is well known worldwide that efforts to establish sustainable private sector mechanisms for agricultural technology transfer under the best of circumstances have been marginally successful. Even in the developed world, it is difficult to find 'successes' that do not receive some type of support or subsidy. In the developing world, such cases are rare indeed and seldom of a scale and diversity comparable to that required to meet the needs of the Chapare. Any such mechanisms that have demonstrated potential for sustainability over the medium term, in most cases, have been heavily endowed up front and benefit from special allowances afforded them by the national government. The Valles Foundation supported by the MAPA project is an example of such an entity or mechanism. The very limited positive experience of the CONCADE approach to significantly increase technology transfer capacity, particularly with any degree of sustainability, should come as a surprise to no one. In short, the lessons of the past are that neither the private sector nor the government can establish and sustain an effective system alone. It must be a joint effort. An appropriate private/public sector approach needs to be defined for the Chapare. The participatory element incorporated into current CONCADE technology transfer efforts is only one of the essential ingredients.

E. RECOMMENDATIONS FOR CONCADE SUCCESSOR PROGRAM

Decisions with respect to activities for inclusion in the transition program and the CONCADE successor program should be based on the following key finding of this Assessment with respect to the agricultural production and marketing program: The fundamental weakness of the CONCADE program in agriculture lies not in 'what was being done', but rather in 'how it was being done' in terms of both the technical focus and the approach used. Clearly, the enabling environment was not conducive to the success of many of the production and marketing activities promoted under CONCADE. The full array of technical, economic, financial, social and political constraints prevailing in the Chapare need to be given much more consideration for a better balanced approach for future endeavors. At a minimum, prospective future endeavors

should be market led and meet reasonable predetermined standards for achieving financial sustainability. Also, more realism with respect to the probability of reducing or overcoming these constraints should be factored into decisions on the content and focus of future activities.

1. Transition Program (short-term)

At this time, given the recent overhaul (Modification 17) of DAI's agricultural and marketing activities, it is too soon, for the most part, to make determinations of what DAI implemented activities be continued or not. In addition, political factors should be included in the decisions regarding program component termination. There are several reasons for this concern. First, by definition the rural poor and small farmer beneficiaries live in precarious economic circumstances. As noted often in this Assessment, there is a great degree of dependence on AD activities on the part of many of these beneficiaries, and much more so if subsidies are involved. Terminating programs that would directly affect such beneficiaries would send incorrect signals, could be grist for the political propaganda mill, and possibly blunt the latent interest in AD of those who are considering embracing it. In short, such considerations are not parochial technical matters, and need to be handled with the utmost sagacity and political tact. Thus for now, all on-going activities should be considered as potentially forming part of the transition program in either their current mode of operation or in an evolved manner.

In addition, the Assessment identified a number of activities that should be included in the transition program, either because they technically merit continuation, or because they are needed to resolve issues and facilitate the transition. The following list of activities should be made part of the transition program. Some are short-term undertakings that should be completed before the transition is made and others are longer-term propositions that should continue in the CONCADE follow-on program. This list consists only of activities of special importance to meet specific needs identified through the assessment fieldwork. As pointed out above, many of the on-going activities will need to be continued during the transition.

- ▶ Continuation of AD support for C23 forestry and livestock programs.
- ▶ Increased support for the pineapple sector to become self-sufficient before the end of CONCADE (eliminate subsidies) and to arrange credit for members with FONDESIR.
- ▶ Insure transport problems created by loss of bridge are alleviated to the extent possible and practical.
- ▶ An independent (of CONCADE/DAI) study to assess and define the appropriate role of UNABANA in the marketing of bananas.
- ▶ A strictly objective assessment of the palm heart market focusing on cost and returns of the various participants to help define a workable structure for the industry and the assistance needed to put the structure in place.
- ▶ The design of a sustainable public/private sector mechanism for technology transfer. This design should build on lessons learned from the efforts to establish the Valleys and other SIBTA Foundations. It is strongly recommended that this design and the implementation of it be carried out in collaboration with the SIBTA Humid Tropics Foundation in Santa Cruz.
- ▶ A phase-out and elimination of subsidies that create long-term dependency.

2. *New and Additional Activities for the Long term*

The following list of activities reflects special needs identified from the information provided by the beneficiaries and stakeholders interviewed for the Assessment. Not all of these activities are new per se. Many can be considered to be additional areas of focus or emphasis for on-going activities. This list is also not considered definitive. The definitive list will need to be developed by reconciling this list with the activities included in the draft scope of work for the follow on program and tempering it with a large and liberal application of the lessons learned as contained in this assessment.

a. Technical Interventions

- ▶ Solve tutor and drying problems for black pepper. (Check Yungas coffee drying experience for applicable technology-lessons learned)
- ▶ Passion fruit: solve tutor/wire cost problem.
- ▶ Pineapple: develop more suitable packing materials/cartons, and increase emphasis on pest control.
- ▶ Palm Heart: seek solutions to plant density and fertilization problems.

b. Organizational Strengthening Interventions

- ▶ Assist with the formation and development of an association for black pepper to help solve production and processing (drying) problems.
- ▶ Development of a public/private sector mechanism for technology transfer in the Chapare.

c. Marketing Interventions

- ▶ Passion fruit: increase emphasis on the development of a local market for long term with view towards increasing volumes.
- ▶ Banana: reduce favoritism and paternalism with UNABANA, get them out of the export business.
- ▶ Significantly expand efforts in assessing markets for Chapare products, placing additional emphasis on analyses for new crops such as camu-camu, achiote (seek lessons from Yungas experience), cacao and Chapare coffee.
- ▶ Tropical flowers: the preceding point plus lessons from MAPA in Cochabamba valley.
- ▶ Palm-heart: assist processors and producers resolve pricing issues and develop collaborative relationship among them.

d. Investment Interventions

- ▶ Expand investment in infrastructure (packing centers and cable systems) and training to assist more associations to provide bananas for export.
- ▶ Consolidate rotating funds and ensure adequate management.
- ▶ Develop a 'Bank' of creditworthy projects.
- ▶ Aggressively seek and promote alternatives for resolving the problem of investment credit.

CHAPTER III

MUNICIPAL AND SOCIAL PARTICIPATION AND DEVELOPMENT PROGRAMS, INCLUDING GENDER AND OTHER SOCIAL EXCLUSION ISSUES

A. INTRODUCTION

With regard to municipal and social development, the stated objectives of the AD programs in the Chapare and the Yungas are fundamentally different. Municipal and social development and social exclusion issues were not originally included in the objectives of the AD strategy in the Chapare or in the specific AD activities being carried out there with USAID support. The general goal in the Chapare has been to increase investment in productive infrastructure, and to expand productivity, markets and employment in licit economic activities, to help transform the economy to one that does not rely on coca production. Also, trying to incorporate municipalities governed by the pro-coca political opposition in US-supported AD activities was not possible in the past. Nonetheless, CONCADE has recently undertaken initiatives to increase participation by beneficiaries, to work with municipalities, and to address social exclusion issues such as gender. While most of these efforts are too recent to assess any results, those for which information is available are included.

The approach taken by the AD program in the Yungas has a broader focus on social as well as economic development, with the objective of better meeting basic needs in target communities, including improving municipal planning and management, increasing licit family income, improving basic social and productive infrastructure, and improving health. There are six main programmatic components which, together, are intended to achieve these results: citizen participation, income and employment generation, local roads, health services, a community alternative development fund for infrastructure such as schools and water/sanitation systems, and rural electrification. The Yungas Development Initiative (YDI) is based on the assumption that voluntary reduction in coca production can only be achieved if household incomes are increased and/or household costs reduced and the quality of life is improved. This voluntary approach recognizes a fundamental difference between the Yungas, where coca has been grown for traditional uses since before the Spanish conquest, and where such traditional production remains legal; and the Chapare, where all coca production is illegal and subject to forced eradication, and where participation in AD programs is conditioned on eradication of coca. Conditionality regarding reduction of excess coca is not applied to all AD assistance under the YDI, such as municipal governance, health, and some economic assistance; it does apply to social and productive infrastructure projects financed by the Yungas Community Alternative Development Fund, through ACDI/VOCA.

There are a number of other significant differences affecting social development and participation in the Chapare and the Yungas. Because the Chapare was colonized by settlers from other parts of the country, there is little sense of social cohesion, aggravated by the extreme dispersion, small size, and isolation of settlements. Much of the migration (particularly of highland miners when state-run mines were closed) was driven by the economic opportunity presented by coca, both as a result of internal economic crisis and external demand for cocaine.. Traditional miner organizations (unions, centrals, federations) were adapted to defend coca production. They have become de facto governments in the absence of strong state institutions,

and tend to dominate the municipal structures as well. There are few viable social structures outside these organizations. The AD producer associations comprise to some extent a parallel structure, but lack cohesion and political power, since they were never intended to do more than provide support for production and marketing activities, and are seen as external AD entities rather than local structures. By contrast, the traditional social structures and fabric are relatively intact in the Yungas, where municipal governments function more independently and effectively, and the institutional structure follows a more normal--though certainly underdeveloped--pattern.

The following sections examine the findings and issues encountered with regard to municipal development, participation, and social issues in both the Yungas and the Chapare; highlight important lessons learned and conclusions; and make recommendations to guide the development of future AD activities.

B. FINDINGS AND ISSUES

The field interviews conducted gathered information on the following areas of inquiry, in both the Yungas and the Chapare:

- Municipal implementation of the participatory planning process.
- Municipal participation in AD activities.
- Participation in municipal planning by citizens and local organizations.
- Participation in AD activities by beneficiaries.
- Perceptions by relevant organizations of AD activities, methodologies and results.
- Attention to gender and other social exclusion issues in municipal planning and AD activities.

This information was designed to contribute to answering larger questions posed in the Scope of Work for this assessment:

- What has been overlooked by focusing on the economic development approach?
- Why after much effort is there still strong resistance to AD?
- What factors have been successful in inducing a shift away from coca and into licit crops?

The conclusions section attempts to answer the two sets of questions, based on the findings set forth in this section.

This section groups findings and issues in three areas: municipal development and participatory municipal planning; community participation in AD activities and general attitudes toward AD; and attention to gender and other social exclusion issues for both Yungas and Chapare. In general terms, it should be noted that the findings for this area of the assessment are consistent with those for the earlier assessment of the USAID/Bolivia alternative development strategy, and relevant portions of the DDCP evaluation, particularly the sections pertaining to participation and gender issues.

1. *Municipal Development and Participatory Municipal Planning*

Interviews with mayors and council members in four Yungas municipalities and four in the Chapare indicate that all are following, to greater or lesser degree, the participatory municipal planning and citizen oversight process laid out in the Popular Participation, Municipal, Decentralization and other laws implemented since the modernization process was initiated in 1989, to decentralize governmental functions, strengthen municipalities, and strengthen the participation of organized citizens at the local level, as agents of sustainable development with defined rights and responsibilities. Underlying this organizational scheme are pre-existing traditional community organizational structures, such as indigenous communities (*organizaciones comunitarias de origen*) or peasant unions (*sindicatos campesinos*). Such organizations have generally been recognized and legitimized as base organizations (*organizaciones territoriales de base, OTBs*) under the Popular Participation structure, thus helping this newer participatory structure to become firmly rooted at the municipal level. All community groups and interests were said to participate in the municipal planning process, including women.

A major difference between the Yungas and Chapare AD programs is that in the Chapare, USAID-supported AD activities focus mainly on production and marketing through producer associations, unions, and federations, and have few links to the municipalities, except in the case of the Bolivian Government's local road construction and maintenance program (*Caminos Vecinales*), which USAID supports, and the AMVI road maintenance association, a private, non-profit association involving local users and municipalities. AMVI has taken an innovative, participatory approach to road maintenance, with CONCADE's support, in the western Chapare municipalities of Villa Tunari and Shinahota, beginning in August 2001. Recent guidelines for US assistance in the Chapare open the possibility for further collaboration with municipalities and the *mancomunidad*. However, there are not yet any specific activities or results involving municipalities which can be included in this assessment, other than AMVI.

The limited inclusion to date of municipal governments in AD programs in the Chapare is clearly a contentious issue for the municipal authorities interviewed. When asked, for example, whether AD programs met the needs of beneficiaries, nearly all Chapare municipal respondents commented that the benefits went only to the producers involved, and that the municipalities were not involved at all, viewing this very negatively. The fact that these projects did not go through a participatory planning process and were not included in the municipal POA was noted as a weakness affecting their impact. It was noted by respondents that the EU-supported PRAEDAC AD program, PROSIN (health), *Caminos Vecinales* and AMVI did coordinate with the municipal governments. The participatory process, mobilizing local contributions and labor (from both AD producer associations and pro-coca unions, as well as the municipalities), utilized by AMVI was considered to be particularly positive and effective, resulting in better road maintenance at lower cost. Such programs were reported to be more acceptable to the communities and to promote co-responsibility by the community for local development.

It was noted by respondents that in municipalities with a high level of conflict over AD, such as the Chapare municipalities and Caranavi (Yungas), that some leaders of AD-related producer associations interviewed, particularly second-level unions and federations, appeared to avoid participating in the municipal planning and management process. This type of distance-keeping may be due to the high degree of political sensitivity of AD activities. It also may reflect a lack

of attention within AD programs to promoting full and active citizenship and participation by AD beneficiaries, although base-level members of producer associations do appear to be more likely than higher-level leaders to participate in participatory municipal planning, in their capacity as OTB members (rather than as members of producer associations). Leaders may be motivated by a desire to maintain their political legitimacy as AD participants, by refusing to collaborate with the opposition, which is clearly an issue when collaboration is necessary to achieve progress.

As noted, the situation in the Yungas with regard to municipal development and linkages with AD programs is substantially different than in the Chapare. Municipal authorities from three of the four municipalities visited acknowledged the value of the assistance received from the USAID-supported Democratic Development and Community Participation (DDCP) project (under the YDI program), either directly or through the *Mancomunidad de los Yungas*, which receives DDCP assistance. They noted support for the municipal planning process, including use of the Participatory Municipal Planning Model (MGMP, *Modelo de Gestión Municipal Participativa*) developed by the DDCP, indicating that it had helped bring about more transparent, efficient and participatory municipal planning and helped build public confidence in municipal government. Respondents in two municipalities also stated that DDCP had helped promote greater gender equity, though more effort and support was needed. The fourth municipality was visited initially by *mancomunidad* staff, but did not receive any municipal development assistance.

When asked in what ways AD had contributed to strengthening community participation and municipal planning and management, the Yungas respondents made generally positive comments, indicating the contributions of specific AD projects. In addition to DDCP and the *mancomunidad*, assistance provided by MAPA and ACDI/VOCA in support of tourism and infrastructure improvements, SERVIR's support for water and sanitation facilities and health services, and the Carmen Pampa program of professional training for young people, were specifically mentioned as positive contributions. It is noteworthy that the projects funded by ACDI/VOCA, which are selected through a participatory, community-based process, are generally accepted and valued even though they require DIRECO certification that coca will be reduced or new fields will not be planted, in spite of the general resistance to such conditionality.

It appears that, because the approach used in the Yungas by the YDI takes into account the municipal structure and the participation of base organizations according to local custom, the programs have some degree of social legitimacy in the eyes of the beneficiaries and the local community. Recognition of the municipal government and base organizations as development agents by AD programs also facilitates constructive dialogue. Participation through these structures has encouraged provision of counterpart resources, labor, and effective oversight through local committees, which promote quality control and continuity in project implementation. Such committees have also taken on maintenance of completed projects, thus contributing to their sustainability.

2. Community Participation in AD Activities and Attitudes toward AD

Interviews in both the Chapare and the Yungas revealed limited participation in decision-making with regard to AD activities by beneficiaries, whether individuals or organized groups. This problem is significantly more marked in the Chapare, where beneficiaries are basically treated as recipients, rather than actors in the development process, but is also a factor in the Yungas to a lesser degree. The AD projects, whether providing infrastructure or technical assistance, generally present a previously-defined menu or set of interventions, which people may accept or reject, but not substantively change. Activities are not defined from the bottom up, although, because of the level of poverty and the types of prevailing problems, they may and often do coincide with expressed needs of the communities, as represented in municipal POAs. In some cases, AD programs also finance locally-defined projects which were not included in the POA because of funding limitations. Nonetheless, congruence between demand and supply is more coincidental than conscious, which does nothing to promote or strengthen participation in decision-making, leaving participants with a "take it or leave it" impression, of having no real voice.

As noted in the previous section, the incorporation of municipal governments and use of the participatory municipal planning process for AD interventions, as is done in the Yungas, offers greater opportunity for participation, although it does not entirely eliminate the problem posed by the top-down nature of AD program offerings. There are some differences between infrastructure and agriculture projects--the latter appear to be less participatory and more inclined to be top-down, thus fostering some of the same types of issues noted for the Chapare activities. Inclusion by AD activities in the Yungas of municipal governments, together with other local structures such as municipal vigilance committees, settler federations, and indigenous community organizations, significantly enhances the acceptability and legitimacy of AD.

Interviews with members of producer associations, particularly in the Chapare, reveal the limitations and barriers affecting participation and decision-making. For example, members of a union of AD producer associations, noted that a new program had been approved without their participation: "We as associations and as the union decide nothing. . . . projects are fed to the producers (*inyectados al productor*).\" Participation is basically limited to identifying needs and formulating a list of demands, rather than in making decisions on how to prioritize and solve problems, including developing the human, institutional and financial resources necessary. . . Limited participation in decision-making by beneficiaries reflects the absence of specific objectives related to participation for CONCADE activities. It also reflects the day-to-day project implementation style for AD activities in the Chapare, which works against developing strong, sustainable producer associations, and hence against the ultimate impact of AD activities. This problem may result at least in part from the results-based nature of the CONCADE contract, which emphasizes meeting stated results within a limited period of time. Since participation (beyond tracking the number of affiliates) does not figure among the stated results, and since participation and institutional development are notoriously time-consuming, there are no incentives--and in fact, substantial disincentives--for emphasizing participation, particularly in significant decisions affecting what activities are undertaken and how they are managed.

Nonetheless, some changes have recently been made in CONCADE to promote a more participatory approach. In addition to the AMVI initiative already noted, the extension system has been modified to involve producer associations to a more significant extent in managing the

system. The system is based on projects proposed by the associations; CONCADE is currently reviewing the initial project proposals, so there are as yet no results which can be assessed.

Despite the demand for licit products as observed by the Team (See Chapter 2), the impact of limited participation in decision-making and hence limitations on any sense of ownership and investment in the producer associations has resulted in a negative perception by many local leaders that relatively low levels of benefits have been achieved from licit production supported by AD. This perception exists even though respondents acknowledged that such limited effects were due to internal and external problems beyond AD. This negative perception was expressed by another respondent in Chimore, who noted that AD had had little impact in spite of its' long history. Respondents in Villa Tunari noted that there are few who benefit, even within the producer associations; that only the rich hotel interests benefit from tourism; and that banana, pineapple and heart of palm projects had failed because of lack of international markets, especially for small producers. Respondents stated the CONCADE supports private enterprises in processing, instead of small producers, and that there is no attention to production and processing for the local market. They also noted that inadequate attention to international markets and prices led to overproduction and falling prices. These negative perceptions can largely be counteracted by involving local leaders in the decision-making process, which will afford them a vehicle and opportunity to understand the problems from various perspectives.

The nature of limited participation by producer associations also contrasts with the type of participation promoted by municipal governments and traditional community and union organizations, according to respondents. Such organizations are based on residence and membership in a community, and not just on occupation, and thus have a broader sphere of action which permits the development of solidarity and reciprocal action for the benefit of their members. The nature of these organizations means that they also have the capacity to be constructive and resourceful, and have the potential to become defenders of licit production and marketing, land rights, and provision of basic services. They can also be valuable channels for self-help and ethical oversight. Bypassing these traditional structures by focusing assistance solely on producer associations weakens social legitimacy by isolating association members from the general community context. Producer associations are perceived as artificial organizations, not integrated into any overall community structure, and are thus inherently fragile.

Attitudes toward AD activities are clearly influenced by the degree and types of participation and the participatory mechanisms used. In the Yungas, where AD activities place greater emphasis on participation and existing municipal and organizational mechanisms are used, perceptions of AD are more positive and the benefits provided by specific projects are recognized, even though there are still criticisms regarding participation, coverage, sustainability, and top-down directives. There is also considerable opposition to the concept of conditionality, even when it is reluctantly accepted in order to obtain benefits.

In the Chapare, both participants in AD activities, as well as groups not involved in AD, point out negative aspects or shortcoming of AD activities, such as the lack of transparency, favoring large enterprises over small producers, the lack of participation in decision-making, project problems with regard to marketing and demand for products, and problems in meeting needs and expectations, with the overall perception being that the economic situation of AD producers has not significantly improved.

3. *Gender in Municipal Planning and Development*

The municipalities visited presented varying degrees of participation by women in politics and municipal planning and management. There are some women mayors, and all municipalities had at least one woman council member. Most municipalities had programs for prevention of and attention to domestic violence, and municipal POAs sometimes included projects for women. However, there was little evidence of attention to what is often termed strategic gender interests--efforts to reduce or eliminate gender discrimination and achieve greater degrees of equity in participation and access to benefits between women and men. Inequality and discrimination against women appeared to be regarded as natural, even when its negative impact on women's participation and social progress was recognized. Attention to gender tends to be defined as support for POA projects put forward by women or related to their traditional domestic roles, such as water or health projects, or productive projects related to domestic activities, such as raising small animals, sewing, knitting, or handicrafts production. While the motivation for undertaking productive activities is usually the desire to obtain or increase income, the activities undertaken tend to be defined by gender roles, rather than any serious investigation of market demand and economic feasibility. Women are locked into a very limited range of gender-linked activities.

Participation by women in municipal planning and management is also perceived to be related to their organizational capabilities. While some women's organizations have succeeded in getting their demands heeded and have gotten projects funded through municipal POAs, they have to be exceptionally persistent--this does not seem to happen without overcoming significant male opposition, often from husbands as well as municipal authorities and other leaders. A member of the women producers association in Yungas reported that "To gain attention, women have had to work very hard and negotiate, it has taken us seven months to get our funds disbursed (from the municipality). . . . It is difficult for women to participate because they tell us to be quiet or don't listen to us; I have learned to demand attention, so we have gotten the money." It does not seem to be recognized that men are not required to develop exceptional personal or organizational skills in order to get what they want. Similarly, lack of training and experience is often cited as the reason for women's low rates of participation and limited success in making their demands effective. While training, as well as organizational strengthening, can certainly help, these are unlikely by themselves to overcome entrenched discrimination, and also tend to shift the major responsibility to women themselves, rather than recognizing that gender discrimination pervades the municipal and other organizational systems, and taking steps to counteract such systemic discrimination.

4. *Gender in AD Programs and Activities*

Similar problems are encountered in organizations involved in AD programs. Women encounter discriminatory barriers to participation, and their subordinate status is perceived as natural. For example, a member of a women's organization in Yungas noted that "In AD federation meetings, we comprise nearly 50%, but (the men) do not pay attention to our opinions--few women speak up because of lack of training--and men make the decisions." A union of AD producer associations in the Chapare has no women on its directing board, since there are no women presidents of producer associations (and few women serve in any capacity on association boards). Women are reported to participate only when they are widows or heads of households; otherwise, they are assumed to be represented by their husbands.

To date, CONCADE has tended to limit assistance to women to marginal levels of support for small women-only groups engaged in female-stereotyped activities, such as cultivating crops such as vegetables or flowers, raising small animals, food processing, sewing or knitting apparel, and producing handicrafts. There has been little or no attention to reducing gender barriers to participation in mainstream productive activities or producer associations.

Union organizations in the Chapare appear to offer somewhat greater opportunity for women to participate, requiring that each union be represented by a man and a woman in the municipal planning process. Nonetheless, women complain that they are often marginalized in unions and central organizations, and that women may not participate because of fear of their husbands. Women also have their own parallel union organizations and federations, which offer training on violence against women, on laws and rights, and consciousness-raising among women, as well as training in (traditional) skills such as sewing.

Modifications recently approved for the CONCADE project have the potential to address such issues and promote greater gender equity in the AD activities which it supports. CONCADE has recently created the Gender Participation and Social Inclusion Unit (GPSI). This unit has launched a new initiative to achieve higher levels of participation by women in project activities and guarantee gender equality. Specific, quantified goals for women's participation have been established, and targets have been incorporated in the contract and operational indicators for the program. This initiative will focus on both productive and social demands. The effort will focus on channeling improved technology and information to women producers, by incorporating female extensionists and farmer-promoters into the new extension system noted earlier, and promoting women's participation and leadership in producer associations and marketing committees. A GPSI capacity-building team will promote awareness of gender issues in community and association activities, and help build organizational and leadership skills. Support will also be provided in generating employment for women in agro-industrial processing, micro- and small enterprise. The project will also provide support services such as children's day care centers.

5. *Other Considerations*

During the last 18 months of its implementation period, CONCADE is planning strategies to reach thousands of additional families, particularly in areas which have been un- or underserved and difficult to reach. These strategies are known as *Plan Inclusión* (Inclusion Plan). Throughout the Chapare, CONCADE plans to attract new families to AD activities, or recapture those who have fallen away, by offering simple but effective agricultural assistance, or through a variety of small-scale non-agricultural assistance packages, such as roads and small-scale social infrastructure. The goal is to cover more than half the families in the agricultural zones and nearly a quarter in the areas with more difficult access. This outreach is expected to include indigenous communities, and to place greater emphasis on participation in decision-making and selection of projects.

C. LESSONS LEARNED

This section synthesizes important lessons identified by interview respondents and derived from interview information by the assessment team.

Lessons Learned with Regard to Municipal Development and Participatory Municipal Planning

- ▶ Lack of inclusion of municipal governments and the participatory municipal planning process in AD activities is seen as being inconsistent with the Popular Participation law and of citizen rights, and seriously affects the legitimacy of AD activities.
- ▶ AD has the greatest level of acceptance when conceptualized as a participatory development effort, in which all interested groups, both municipal government and civil society, are encouraged to work together to meet common needs. AMVI was cited as a good example.
- ▶ Effective support for municipal governments and the planning process results in greater participation in and social control over AD as well as other municipal projects, and greater acceptance and more positive attitudes toward AD.
- ▶ Failure to treat the municipal planning process seriously discredits AD activities, for example, by offering projects after the POA has been completed, by not providing adequate information to the municipal government and vigilance committee management, by not complying with agreements made, and by not coordinating efforts so as to avoid isolated, duplicative or unneeded projects.

Lessons Learned with Regard to Participation in and Effectiveness of AD Activities

- ▶ The limited participation in decision-making with regard to AD activities reduces their effectiveness and leads to perceptions of favoritism, politicization and lack of transparency, all of which cause conflict and weaken the social fabric. Producers also blame lack of control over projects by producer associations for marketing and income deficiencies, citing, for example, CONCADE's perceived favoritism toward processing plants, which pay low prices to producers.
- ▶ Conditionality requiring coca reduction or eradication in order to participate in AD activities is highly resented, and often impedes participation in AD, because coca is seen as a means of subsistence for families, and provides a safety net until other crops are harvested, or in case they fail, prices fall, or access to markets is blocked. Conditionality is also a motive for political conflict, which significantly weakens the social fabric in conflictive communities.

Lessons Learned with Regard to Gender and Social Inclusion

- ▶ There has been very limited progress toward gender equity in participation and benefit from AD programs. Women have been able to get projects funded, usually at marginal levels, through municipal POAs, but only with a concerted effort to get their voices heard and overcome male opposition. Women have worked almost exclusively through women-only organizations, and the projects for which they have received support tend to be small productive projects in gender-stereotyped areas related to women's domestic roles. Women's participation in mainstream AD activities and organizations, such as producer associations, is extremely limited.

D. USAID ISSUES AND THEMATIC QUESTIONS

Conclusions are organized by the broad questions outlined previously for the field interviews. The final group of conclusions provides partial answers to the broad, overall questions posed by this assessment, based on the first set of conclusions.

1. Conclusions Based on Areas of Inquiry for Field Interviews

Municipal implementation of the participatory planning process

The tenets of the Popular Participation Law have been internalized by Bolivian municipalities, and they are implementing participatory municipal planning (the previous findings of the AD strategy assessment and the DDCP evaluation also support this conclusion). DDCP assistance has contributed significantly to this process in the Yungas, and has enhanced municipal effectiveness and credibility, and also helped gain credibility and acceptability for such AD-funded assistance. Findings from this assessment indicate that the DDCP component of the YDI made progress in meeting the stated objective of improving municipal planning and management.

Municipal participation in AD Activities

Municipal participation in USAID-supported AD activities in the Chapare has been largely limited to road construction and maintenance to date. Failure to adequately include AD projects in the participatory municipal planning process has been detrimental in many ways: it heightens political sensitivity and social conflict; it lessens the perceived legitimacy of AD activities because they were not selected through the standard municipal planning process; it promotes suspicion of lack of transparency and favoritism, because AD decisions are perceived as made by project implementers, rather than through a public planning and oversight process; and it limits participation and perceptions of benefit to a relatively small group of producers rather than to the broader community.

While inclusion of municipal governments in AD activities in the Yungas has not totally eliminated negative perceptions of AD, it has significantly reduced them by demonstrating benefits to the municipalities and to the broader community, such as municipal strengthening and improved participatory planning, provision of valued infrastructure, and health services, which are, for the most part, supported through a public, participatory process, and include citizen oversight of projects. In this respect, it is clear also that, in the view of beneficiaries, the YDI has made progress toward its stated objectives of improving basic social and productive infrastructure and health, in addition to municipal strengthening.

Participation in municipal planning by citizens and local organizations

Base organizations of various kinds participate in the planning process in both the Yungas and the Chapare, including OTBs, indigenous organizations, *sindicatos* and related organizations. Producer associations and federations associated with AD participate primarily in the Yungas, except for participation in the AMVI road maintenance program in the Chapare. Lack of participation by these associations in the Chapare tends to isolate them from the community at

large, contributes to the impression of these associations as external rather than local entities, and contributes to political polarization.

Participation by women, youth, and ethnic minorities is limited, as will be discussed further below under social exclusion. Women's organizations have succeeded in getting projects of interest to women included in municipal POAs, but their participation is still marginal.

Increasing citizen participation in the planning process has been an objective of the Yungas AD program from the beginning, but has not been a central focus. Attention to such participation in the Chapare is only now beginning. The limited achievements in this area reflect its relative lack of emphasis.

Participation in AD activities by beneficiaries

Participation in decision-making with regard to AD activities by beneficiaries is limited. AD activities in both regions tend to treat beneficiaries as recipients, rather than giving them any substantive role in deciding what to do and how to do it. The problem is considerably more severe in the Chapare, because AD projects are not part of the participatory municipal planning process, as they usually are in the Yungas, which gives participating groups some voice in selecting and prioritizing projects. Even in the Yungas, however, AD activities are often pre-defined, or a limited set of options is offered from which to choose.

Perceptions of AD activities, methodologies, and results

Conditionality with regard to coca reduction or eradication is almost universally resented, even when it is accepted in order to obtain benefits.

Perceptions of the level of benefits obtained from AD projects are also problematic. Beneficiaries, especially in the Chapare, feel that small producers benefit little in comparison with large-scale producers and agro-processing enterprises. This perception is compounded by their lack of influence on decisions and level of suspicion of management motives and decisions. Overall, neither beneficiaries nor non-participants perceive significant economic or quality of life benefits from AD activities, particularly in the Chapare, with the exception of roads. At least in part, it is likely that this perception reflects political polarization compounded by lack of participation, by non-participants; and resentment due to not having a voice in decision-making, by beneficiaries, in addition to the objective facts regarding benefits. It may also reflect inadequate sharing of information on the costs and benefits pertaining to both licit and illicit activities. In the Yungas, higher and more generalized levels of benefit are noted by respondents, including municipal development, social and productive infrastructure, and health. AD appears to be judged more favorably, taking broader criteria than income levels into account, in the Yungas.

Attention to gender and other social exclusion issues in municipal planning and AD activities

Women face significant systemic barriers to participation--particularly in decision-making--in municipal planning and in AD activities. Efforts made to date to promote women's participation,

largely limited to training or support for traditional productive activities, have had little effect on reducing systemic discrimination.

2. *USAID Thematic Questions*

What was overlooked by focusing on the economic development approach?

Development of concerted, effective strategies, objectives, and actions to increase both the depth (including participation in decision-making) and breadth (including women and other marginalized groups) of participation in AD activities, and to channel such participation insofar as possible through mechanisms with broadly recognized legitimacy such as the municipal participatory planning process, has not been sufficiently emphasized in AD efforts. Even in the Yungas, participation has not been a central, systematic focus, and is understood and implemented in varying ways and to widely varying extents. In the Chapare, attention to it is only now beginning.

What was effective in inducing a shift to licit crops in the past?

Income and quality of life are universally cited as the reasons for participating in AD by undertaking licit activities instead of planting coca. However, it is clear that quality of life includes more than just the income perceived from licit crops, compared with coca. It also includes infrastructure and services which make life easier and more secure, as well as social benefits and cohesion resulting from common, participatory problem-solving. For these benefits to occur and to have the desired income, it is necessary to overcome the social and political divisions now existing and help people to work together to bring about a higher level of social as well as economic development, in conjunction with municipal governments and other public as well as private institutions.

E. RECOMMENDATIONS

The following recommendations are based on the foregoing lessons learned and conclusions.

In general terms, AD's future efforts should be conceptualized with an emphasis on participatory development that parallels the priority on coca reduction. The objective should be to strengthen the overall level of social and economic development in coca-growing areas, by increasing alternative economic opportunities, developing effective participatory institutions, and improving social and productive infrastructure and public services, such as health and education. More specifically, AD should:

- ▶ Make use of all possible means to increase linkages and cooperation with municipal governments and *mancomunidad* in the Chapare, and to incorporate AD projects into the participatory municipal planning process, consistent with current guidelines for working with municipalities in the Cochabamba tropics. The implementing partners who manage USAID resources should keep municipalities and citizen oversight committees informed in a timely manner, regarding the level of these resources, their allocation, and how they are being used, to promote transparency and build greater levels of trust.

- ▶ Provide support for municipal strengthening and for improving the municipal planning process, e.g., training and technical assistance for municipal officials and staff in improving municipal functions and services, support for public hearings and information dissemination, training for leaders and members of all base organizations (not just those involved in AD), etc. Indicators should be developed which will enable results with regard to municipal strengthening and planning to be assessed.
- ▶ Ensure that AD activities emphasize and effectively implement participation by beneficiaries, particularly in decision-making, e.g. deciding what is to be done and how it should be done. This will require taking participation into account in project design, i.e. by not pre-defining activities in such a manner as to preclude participation in decision-making; and developing indicators to track participation by type or level, as well as numbers of participants.
- ▶ Support the development of knowledge, skills, and leadership necessary to facilitate the participation of beneficiaries in decision-making, including promoting a broader vision of participatory community development than currently exists.
- ▶ Ensure that heretofore marginalized groups--particularly women belonging to all social, age, and ethnic groups, as well as young men and men from minority ethnic groups--have the opportunity and the capacity to participate in the participatory municipal planning process, citizen oversight committees, and in all aspects of AD activities. Addressing gender discrimination, particularly, will require intensive work with men--especially municipal authorities, leaders of base organizations, and leaders of producer associations--as well as women, to combat systemic discrimination and perceptions of women's secondary status as natural, and open new opportunities. At the same time, it will be necessary to help women (and other excluded groups) develop the necessary knowledge and skills, as noted above, to give them both the confidence and ability to participate effectively. It is essential that future AD activities focus on integrating women into mainstream project activities and organizations. Productive projects, particularly, should be supported on the basis of market demand and viability, rather than be pre-determined by gender stereotypes. The level and type of participation and benefit (including participation in organizations, in leadership, in selecting and implementing activities, employment, and income) should be tracked by gender for all marginalized groups.
- ▶ Develop indicators to measure and track perceptions of quality of life, as well as income, by all relevant groups.
- ▶ Support dissemination of results regarding quality of life and income related to AD activities, together with information on the relative costs and benefits of licit and illicit activities, tailored to all relevant groups, to help combat prevailing negative perceptions.

CHAPTER IV

A BOLIVIAN PERSPECTIVE

At the request of USAID, the Team contracted with a distinguished Bolivian social scientist, Carlos Toranzo, to review the report and add his perspective. This Chapter presents his perspective.

A. INTRODUCTION

This chapter provides a Bolivian social science perspective on this alternative development assessment in general terms, without focusing on technical questions. Rather, the discussion focuses systematically on the context of the problem and seeks to identify questions regarding the political, institutional, conceptual or methodological background or dynamics of the problem, as well as the viability of alternative development. This discussion places special emphasis on concepts to identify approaches by which the project can be legitimized in the eyes of its beneficiaries and in public opinion, and at the same time can operate more efficiently.

1. The Context

There are very few “hot potato” issues in Bolivia like Alternative Development, that lend themselves to conflict, that are bogged down in ideology, and that most of the time are so fraught with preconceived opinions that they hinder a sensible consideration of the issue. Neither the question of land tenure, regional autonomy, nor decentralization or structural adjustment approach the level of conflict of discussions of coca, of forced or voluntary eradication, or of alternative development. There are no intermediate positions, and judgments are almost Manichaeian: the coca is either good or bad; the coca growers are either instruments of the drug traffickers or they are poor people who are working dauntlessly just to subsist. It seems that there is no middle ground, no rational positions that address the matter within the more comprehensive context of national development and how this problem affects the governability of a nation living perpetually on the edge of the abyss of political instability.

The coca phenomenon is linked to a complicated political and cultural framework and to a historical memory of problems which make it even more complex. It has insinuated itself into relations between Bolivia and the United States, and is being used by those who wish to conjure up the old specters of anti-imperialism cultivated in this country. There are political movements, especially those of the coca growers and their organizations, that are using this as the central theme in the battle for sovereignty at a time in which, paradoxically, globalization points out the fact that national sovereignty is consistently diminishing and becoming ever more relative.

In Latin America during the last decade, social movements which confront structural changes and globalization have been organized or reorganized. In the course of time these movements are once again fomenting strong anti-imperialist discussions. Every country has a different history and different actors that place themselves in of this arena. In the case of Bolivia, in the absence of the old miners’ movement that was the nucleus of populist group policy, it is the coca growers who are filling this void. The coca growers did not do it strictly on their own, but as a part of a leftist group political strategy, with socialist leanings, which understood that social change, or from their perspective revolution, comes about when there is a hegemonic social agent to

confront the State. Certainly, they saw in the coca growers this agent, which then became the focus of their political action.

Political history in the last twenty years testifies to the fact that this organizational strengthening of the coca growers, approximating a “syndicate” modality – is not very different from the *campesino* traditions of the 1940s. There has been an upsurge in discussions not only of coca, but also of ethnicity (which curiously is not the nucleus of the situation in Chapare), poverty, social and political exclusion, and human rights, as well as the virulent attack on a political system that did everything possible to be seen as special-interest and all-inclusive.

It is within this political and economic complex that the theme of alternative development must be centered. Certainly, it cannot be treated as simply a technical proposal to help decrease coca production, to substitute for it, to be simply an economic support for the eradication of surplus coca, or to help and support changing the coca economy by substituting another type of economy based on the production of legal products.

Alternative development can center on economics, but it also simultaneously needs to have an overall focus on development ---- a political, cultural and sociological perspective on the topic of coca and Bolivian rural development. However, even such an expansive perspective isn't enough. It also requires an even closer look at those agents with which and with whom they must work. It is not a matter of just talking about coca, it is also about closely scrutinizing coca growers and at the people settled in Chapare and the Yungas, and observing syndicates, communities, producers' organizations, women, and their political representations. In effect, efforts must understand what people want, where they are headed, what their identities are, their behavioral standards, their politics and economics, and what their sensitivities are.

Thus, although the economic, agricultural, production and commercialization perspectives are important, having a more comprehensive and systematic view and awareness of the topic of alternative development is equally if not more critical. Alternative development inhabits a territory which is a political powder keg: one is obliged to get to know it, to disentangle and interpret its political and cultural codes, and to know how to move around within them while avoiding prejudices and preconceived notions.

2. *Traditional Coca and Surplus Coca*

One very important element, which is well identified by the assessment, deals with finding ways to differentiate between two geographic zones: Chapare, in which the coca has been defined as surplus, and the Yungas, where there is the so-called traditional coca, the production of which is protected by law. However, this is not the fundamental difference between these two regions. Above all these two regions have two different histories and two different sensitivities regarding coca. The coca growers of Chapare, although they defend coca as a traditional product, know very well that Chapare coca is not traditional. And they understand very well, although they don't admit it, that coca cultivation is a source for the production of cocaine. This political awareness must be fully taken advantage of in order to increase the viability of alternative development. The discussion of coca in the Bolivia, at least as far as Chapare is concerned, shows that the belief that coca is a holy plant has been lost. It is clear that the majority of the Bolivian population now understands that Chapare coca is a source for cocaine. Here there is an

ideal opportunity to legitimize the eradication and voluntary reduction of coca, and above all to pursue the idea of alternative development.

In the Yungas, the perception is that coca is not illegal, it is traditional, and it is part of history and culture. This well-founded understanding poses a problem which can't be glossed over. This perception can justify a great increase in production, much more than what is permitted by law, supported curiously by the legality of traditional coca. Therefore, a policy or strategy above all should target diversification – besides the development of a social infrastructure – *but without a very rigid discussion of reduction, as it runs counter to the idea of legal coca production.* A better approach is to cite the evidence that much more is planted than is permitted by law. But an additional message must be promoted: the danger of converting the Yungas into another Chapare if the former is only dedicated to the production of coca, without diversifying production. In turn, this implies that the discussion of eradication must not turn into a dogmatic diatribe accompanied by punitive actions that could create a conflictive situation in the Yungas as has occurred in the Chapare. This means avoiding the Yungas being “Chaparized,” which is a real danger perceived by the public. As such, the discussion of alternative development among the different involved parties must focus not only on syndicates and rural centers, but also on other parties, and not just coca growers. This inclusive approach would incorporate them all into the idea of alternative development, not only as subjects for support, but also as participants and beneficiaries of these efforts.

Another difference between Chapare and the Yungas, not shown by the assessment, is that the theme of human rights violation's are an important issue in Chapare, but not so much in the Yungas. Also, a rather important difference is that the coca growers in Chapare follow the political direction of their syndicates or political parties, while in the Yungas politics does not always come first — economics matters more than political ideologies.

Obviously, there are other differences that could be defined, but the aim here is not to include them all. Rather, the purpose is to stress that the basis for analysis must be broadened significantly, in order to have a better and more complete context for the analysis.

3. *Political Context*

Although well established in the introduction, we must repeat here that the question of coca and alternative development requires entering into the political dynamics of the problem. It is precisely this which many studies of alternative development and many donor agencies wish to push to the side with respect to the topic of coca, since they feel that matters of politics and policy are complicated and touch on topics they would prefer to avoid. In fact, many bilateral cooperative efforts have sidestepped this issue, which is of crucial importance to Bolivia. This posture by donors is not due to a lack of commitment to alternative development; rather it is due to not having a commitment to the task of forced eradication of surplus coca.

The topic of coca production and eradication not only is highly politicized; it is also highly partisan. It is impossible not to realize that coca is the cause of occurrences of intense political violence, acts which cannot be controlled exclusively through the use of force. It is necessary to identify the agents of this violence and establish lines of communication with and among them. It would be folly not to realize that the source of the violence is positioned squarely in the coca growers' syndicates, in the rural centers and currently is centered in their political representation.

Can alternative development truly function and operate successfully without having meaningful dialogues with these parties? In general, there is an over abiding fear and clear inhibition against building communications bridges with these parties. However, given the reality of the situation one must realize that it is very complicated to have alternative development projects without incorporating the awareness, viewpoints and ideas of those agents. The topic is complex, and the decision is difficult, but common sense dictates that this is the direction to be taken.

From a political standpoint Chapare cannot be understood without first, looking at the coca growers' syndicates; and secondly without looking at and understanding the MAS. Discussions of the Chapare which avoid mention of Evo Morales not show a true understanding of the reality of Chapare. It needs to be understood that Chapare isn't only coca or coca growers' syndicates or exclusively MAS and Evo Morales. The challenge of dealing with the Chapare necessitates contact with these various parties, including those in whom one has confidence, and others about whom one has doubts and objections, many times caused by pre-established opinions and prejudices.

Sound analysis of MAS and Evo Morales, must not be limited to the perspective that the issue is only a coca growers' phenomenon — about which the United States has zero tolerance. One must consider the evolution of the MAS and of its leader. It is clear that MAS has widened their areas of interest and focus, that they are no longer only focused on the topic of coca — which they have not abandoned because it is their strength. Rather, they have gone on to themes such as the fight against poverty, inequality, the preservation of natural resources, access to the ocean, multiculturalism and multiethnicity, the fight against corruption and many others. But even so, if coca has been their strength, now it also begins to be their weakness. They can no longer highhandedly defend coca, when the people understand that this question, like it or not, deals with the resources for the production of cocaine, something which is a danger to the country and takes away credibility and viability from Bolivia. One must realize that now more than ever, there are more opportunities to discuss alternative development, to begin to legitimize it for society as a whole.

There are those who fear the rise in political power of the MAS and of Evo Morales, and feel that this political growth will excessively strengthen the defense of coca production. But the opposing theory suggests that if the MAS wants to continue growing coca, as they suggest in their policy statements, it will be necessary to establish some distance from coca, or at least not to have it as a central theme in the discussions. It is not to be forgotten that the MAS helped make possible the triumph of democracy in October 2003, and now lends political stability to the government of Carlos Mesa. MAS serves as a model for extremist groups, by defending democracy, and very clearly they intend to be a force in the municipal elections of 2004. Certainly, MAS will try to carry this impetus on to the national elections of 2007. In this context, the Bolivian position and that of alternative development must not be one of fearing Evo Morales and the coca growers, but one of fearing the production of cocaine (and of drug trafficking), which can be diminished by the classic method of forced eradication, as well as through alternative development, if done efficiently and based on a knowledge of the political environment in which alternative development operates.

4. *Concepts and their Practical Effects*

The assessment offers an approach to the evaluation of Alternative Development, for the purposes of assimilating achievements, identifying problems and proposing elements that provide a basis for a new phase of the project, contains an aspect that should be emphasized: it expressly proposes that a comprehensive approach is required for dealing with the topic of Alternative Development, which is an important conceptual leap to avoid narrow approaches to this very complex topic. The problem is that the design, implementation, assessments as well as evaluations require multidisciplinary teams that reflect and embrace the complexity of the issue of Alternative Development. Such teams should be anchored with national staff in order to appreciate all facets of the complexities of Alternative Development. The effort that we are reviewing still lacks a systematic vision for dealing with the topic, nor is there a defined political approach or a political interpretation of what is asserted in the assessment.

It is vital that the objective of alternative development be oriented not only to the substitution of coca but also to the substitution of the coca economy. Here an analytical view might be the correct one, but what is basically an economic approach to the problem needs to be complemented by a social approach as well, defined by interviews to capture the opinions of those beneficiaries who view alternative development as a way to favor “big business” and not small-time producers. This perception endangers the success of the program, and conflicts with the key tenet that resources should promote social inclusion. A comprehensive approach to the problem would require that support not be limited just to businessmen. Rather, support to small producers should simultaneously be strengthened, not only for purposes of economic viability, but also to provide a political legitimacy to the project.

In utilizing such a broadened and inclusive approach, a key concept is that production must not be undertaken, including through alternative development, without awareness of the fact that the act of production has territorial implications which are not just corporate-functional in nature. (syndicates, small producer organizations, entrepreneurial associations) That is, we cannot overlook the municipality, its institutional and organizational structures, or its planning and participation functions. Beyond the comparative tests done of accomplishments in the Yungas, with respect to those in Chapare, where it is suggested that linkages with the municipalities are key, the general conclusion is that there will be severe limitations if things are done solely with corporate-functional agents, or only done with territorial agents. So we must know how to balance and combine the different kinds of actions with these two kinds of agents. It is this balance that makes this phase of alternative development practicable. Additionally, overcoming the limitations of corporate agents implies taking into consideration those agents in the process of becoming citizens who have less history with the syndicates.

One question that demands our attention deals with the social cohesion or social capital identified in Chapare and in the Yungas, and not just in theory, but also in practice. Quite correctly, the assessment suggests that social and historical conditions of the social framework and organization in both locations are quite distinct, suggesting greater or higher social cohesion in the Yungas than in Chapare. In analyzing this distinction the reality of geography should not be overlooked, nor the distancing of human settlements, with an absence of social cohesion. In these 20 years, there has indeed been social cohesion in Chapare, including the coca growers, through the syndicates, since they still believe in the organizational structures that existed in the days of the miners’ syndicates. This has an important practical effect: one cannot ignore the

importance of the syndicate in this dialogue. Since syndicates exist, there must also be a working relationship with the only existing state institutional entity: the municipality.

We can confirm that this social capital and cohesion do indeed exist, but not all social capital is positive. Sometimes these entities promote negativity, specializing in gainsaying, or practicing a sort of paternalistic attitude, with no thought of shared responsibility. This is what frequently happens with syndicates. Therefore, if we must work with the syndicates, how can it be done in a fashion that induces a change of attitude more inclined towards development and the generation of shared responsibility? Insisting on social cohesion is one thing, but instilling some democratic idea about development in these circumstances, is quite another matter. Thus, a vital question emerges: do alternative development programs only have to do with goods such as, pineapple, palm, black pepper, banana, or do they also have something to do with civic education, democratic development, citizenship construction, understanding of rights, and institutional strengthening? The DDPC has been responsible for a practical response to this question, through their experience in the Yungas, where they are also dealing with democratic strengthening and material production. This is a theme which requires a great deal of reflection for the case of Chapare.

A question that requires a great deal of analysis concerns the confusion regarding *campesino* or indigenous and original populations in Chapare. We should remember that Chapare is a classic example of urban-rural migration that doesn't follow the classic patterns of such migration. A good part of the population of Chapare comes from urban centers, with urban culture and values, although they have indigenous ancestry. This fact and key characteristic implies that Chapare is not the paradigm example of an indigenous or original population. It is true that in the Chapare territory there are some settlements of original peoples, in Isiboro Secure for example, but they are not the fundamental issue we are addressing in Chapare. In this geographical area, more than ethnic problems there are rural population issues. What we have are questions of poverty, of social inequality, of access to land titles (not territorial claims), of gender, of violence generated by the State because of drug trafficking, of absence of rights, and of a lack of state institutions. So we shouldn't concentrate solely on ethnic issues. There are other issues which deserve our special attention.

5. *Methodological Questions in the Assessment*

The difficult part of any evaluation or assessment lies in ensuring that it does not simply reflect the viewpoints of those entities administering the programs, that it is not slanted too heavily towards the institution which is contracting the executing entities and that it does in fact adequately address the design and politics of alternative development. It is a good strategy to have selected beneficiaries and their institutions for the interviews, as this allows us a view from the ground up, from those who are supported by alternative development. Sometimes this can cause problems due to suspicions regarding the executing entities and those who finance them. However, it is the only way to better understand if the program is working or not.

A good understanding of the cultural characteristics of the respondents is essential. However, we must keep in mind that the culture of the interviewees, especially in rural environments, tends to have them focus on the negative, making it difficult to find the proper balance of negative and positive elements which can be found in the analysis of any subject. The results of many research efforts in rural areas show that interviews frequently give way to complaints, to an

attention- seeking catharsis, rather than to discerning the positive and negative elements of a problem, a project or a program. A second element to keep in mind is that conducting interviews regarding alternative development implies working in a rural area where there are excessive ideological prejudices on this topic. These are the same attitudes caused by forced eradication of coca farms and by all the concomitant violence. It is hoped that the interviewers were aware of and had experience with this reality.

On the other hand there are interview modalities (we don't know if this was the case) that imply a certain proactivity on the part of the interviewer that leads not only to gathering data, but also to explaining the objectives of the research-evaluation, and helping to show both good and bad aspects of the problem. This interview modality works quite well in a field as full of conflict as alternative development, one that is plagued by so many prejudices and preconceived ideas. For example, it is not a bad idea in Chapare to illustrate or converse about how alternative development has worked in the Yungas, and vice versa, because this enriches the gathering of data and encourages a productive dialogue.

The outcome of the interviews, especially with regard to identifying success factors as well as pitfalls, rests on the strategic processing of the interviews that is, by putting them within the strategic vision of alternative development, cross-referencing them with elements of an international, social, political and cultural context. One cannot design policy listening solely to the beneficiary — while this is extremely important, it is inadequate. It is essential to know the criteria of the executing entity and of the funding agencies. It is clear that the team that conducts the assessment has the liberty and autonomy to form opinions and draft the report without getting input that imposes its own criteria, but they must take care not to fall into “interpretive populism,” reporting what the people would like to have, or reporting the opinions of the beneficiaries as if these were the only ones that mattered, which would imply a faulty or limited understanding of the analytical process.

5.1 Paradoxes

Being mindful of the methodology behind concrete analysis, we must be careful of some results arrived at through the interpretation of data. For example, we can increase the people assisted through alternative development, without having to eradicate or reduce coca plantations, or even increasing them -- at least there are some indications of this happening in the Yungas -- which presents us with a conceptual challenge. In any case, in Chapare the number of beneficiaries rises if program efficiency is improved. This is evident from analysis of the work done by CONCADE, which focuses on the problem of efficiency in alternative development, which is no small thing, because through concerns with efficiency, we can legitimize a program of this type, or conversely, the program can be delegitimized when results are meager.

It is quite important for legal areas of production to increase, for more legal products to be developed, and for more diversification of products and, above all, of producers. These are excellent indicators of the success of alternative development. But in a parallel sense there is another problem to be faced: “How sustainable is this production?” One can promote alternative development without subsidizing the organization and the development of production, but can one act solely with regard to production, or is it also necessary to place equal emphasis on commercialization? Perhaps it is not a question of subsidizing. There are too many economic and political reasons and complexities involved. The question is: who must receive the subsidy,

during what period of time, under what requirements, and how to guarantee competition and through this the sustainability of the products under alternative development? This all falls within a context in which competition is threatened by the violence and instability that exist in the country.

A paradox that requires considerable analysis is that the number of people being helped by alternative development is increasing, especially in Chapare. There are more beneficiaries who can increase their production, but cannot raise their voice or their political presence in the region. As individuals they are not paid attention to in Bolivia, nor are their institutions available to articulate their interests. Worse yet, they are not even recognized in the country, as it is believed erroneously that Chapare is only coca, when in reality there are many other things being produced, including from alternative development. This is largely due to a communications problem concerning non-coca related characteristics of the Chapare: there is no information getting out about increases in the production of legal products, many of which are being exported and are governed by rules more rigid than those used for production destined for the domestic market. All this needs to be communicated to the nation at large. Up to now this either has not been done, or has been done cautiously. On this subject very little has been said in the assessment.

6. *Alternative Development Ownership: The Management Model*

To whom does alternative development belong? What is its ownership? Who feels that it belongs to them? Is it a process that is felt to be internalized by the concerned parties such as the coca growers, the producers' associations, the syndicates, the local businessmen? To what extent does the population feel involved in the tasks and projects of alternative development? The questions ought to be even more profound and discomfiting: whose idea is it to eradicate coca voluntarily and forcefully? Whose task is it to eradicate narco-trafficking? Whose will is it to eradicate illicit production of cocaine?

By not straying too far from alternative development, the assessment does not delve deeply into such matters, which is regrettable because such matters are important for determining whether alternative development can be successful or not. But in spite of everything, the assessment provides ways, through the interviews, of the grasp of the beneficiaries regarding alternative development, for the majority of whom it is a distant subject, which they don't perceive as their own, and don't feel ownership; and what is even more serious, they don't feel that the Bolivian State has ownership.

If ownership is seen as an alien concept, and worse, if it is felt that this is something belonging to a foreigner, if it is felt to be something belonging to USAID and the gringos, then there has not been much success in internalizing the necessity of ownership for the country and for the people close to the production of coca. Let us not forget that the theme of alternative development is perceived as being very, very close to – and it couldn't be otherwise – forced eradication. But what is critical is that the ideological and excessively politicized or partisan dialogue also appears to be tied to all the excesses and/or violations of rights implied by forced eradication. The perceived relationship to eradication does a great deal of harm to the success of alternative development.

Although perhaps a bit inconvenient and indelicate, we must digress here for a bit to point out that for the coca growers, and for other sectors of the population close to them, there is no love or affection for Americans or for the United States. The United States is identified as the concentration of power, as the vehicle of imperialist companies that have economically damaged this country, and also, would have caused state policies to be forged with conditions of dependence and the absence of sovereignty. If that is the perception of the United States and its programs, it is clear that the future of alternative development is not easy to promote or legitimize, because of this resistance. But one thing is this perception, and another the degree of pragmatism on the part of the people. When they see programs that increase their income and their living conditions, that favor them and their families, and especially the future of their children, they realize that they can support these types of undertakings.

But the question goes far beyond that. If people feel they are listened to and involved in these programs, if they feel a part of them, if they believe that they have the capacity to be involved in them, in the design, in the decision making, in the implementation, and in the control of their operation, then in that case without a doubt they take part in these projects. They can make them theirs and point themselves in the same direction as the strategic objectives of alternative development.

Here the alternative development management model is very important. Poor perception on the part of people regarding the United States and USAID projects, and of alternative development, cannot be eliminated through very bureaucratic or vertical management, which is out of touch with the people. It is impossible to generate empathy with the people from behind a desk. These synergies are forged in the field, where the projects are being developed. It is done through a management methodology and viewpoint that remains respectful of participatory management models, in which there is room for the opinion of the beneficiaries. It is not a matter of giving them proposals, in turn-key fashion, but of involving them in the design, of making them participants in the implementation, in the decision making of the projects, in the correction and refinement, as well as in the social control of their development.

But here a bit of vision is required. The coca growers and others have a tradition of participation, of knowledge – sometimes prejudiced – of policy, so that they are the people with whom those who are conducting the alternative development projects must sustain an open dialogue. If this is the case, then logically the alternative development programs must be implemented by people who are open and respectful, who have field experience and fundamental leadership abilities, and who possess a strategic view of alternative development. It is important to build a good team of Bolivian professionals, including women as a concrete way to demonstrate the concern for gender from within the project, to undertake this task and do so in the field, not just from the offices in which the projects were conceived. This team must have the capacity for flexibility in the development of the projects, to make necessary corrections en route, without adhering blindly to a pre-established agenda or design. In effect, we are talking of democratic management of the project, with firm authority to act, but not authoritarianism. Likewise, the team must not yield to populist temptations, but stick to the strategic underlying purposes of alternative development.

Any operational model that is very bureaucratic, and worse yet vertical in structure, can have many defects that make it inclined to arbitrary decision making. This necessarily brings it into conflict with the greater strategic objectives of alternative development. From the interviews it

is clear that there still is not much awareness of a more participatory operational style. Perhaps this has a negative effect on the project. This is not an attempt to blame the executing entities or the funding agencies, but to understand that on the issue of coca there exists a lot of prejudice and distrust, especially regarding the coca growers, who are seen through the same lens as they see those involved in USAID projects. In Chapare the maintenance model for neighborhood roads has a requirement for participatory elements which has meant legitimacy for these projects. However, they are not legitimized solely by being participatory, but by being recognized also and simultaneously for their efficiency and utility for the people. So, there is a lesson here. It is not enough to pursue the participatory development of projects; one must also manage to make them efficient and useful for the beneficiaries. These are the parallel avenues for legitimizing alternative development projects, but to this end one must determine if one executing entity is sufficient, or if one must work with a number of them. Additionally, CONCADE or other institutions should be clear on where and how to pursue the participatory elements of alternative development to achieve the desired legitimacy and efficiency.

Speaking in more general terms on this subject, more than building and encouraging prejudices, what we are dealing with is constructing bridges so that we may have allies and create partners. It is not enough to simply talk of beneficiaries or receivers of aid, one must talk of constructing a social relationship between the two, of pushing a common project that will bear positive fruits on both sides. If advances are not made in this direction, there will be problems with viability, legitimacy and sustainability in the project.

This is not alternative development for its own sake, and certainly not just within the framework of projects sponsored by USAID. In discussing the topic of ownership it is useful to formulate more far-reaching questions; for example, to ask why other bilateral cooperative efforts have no commitment to this type of project, and why they allow only the United States to work almost exclusively in these areas. At certain times certain bilateral projects have indicated their acceptance of these kinds of programs, but their will to actually enter into them has not subsequently developed. On the other hand, where is the will on the part of the government to support this type of program? And here we're not talking only about economic support, but also about support for the idea of alternative development, which is something that the State should put into proper perspective so as not to antagonize the coca growers. The same State should be more proactive in these areas, and must do it voluntarily, transparently and with authority, so as not to give the image of being only a subsidiary of American policy. If the State doesn't show the face of authority and some independence, then quite easily alternative development could be seen as something of interest only to Americans.

7. *Pitfalls and Success Factors*

Alternative development encounters another big problem: there is a perception on the part of theorists, those who deal with economic policies, business owners, and especially coca growers and rural populations, that it is difficult to find a substitute for coca that can be seen as a comparatively profitable product. Because of this, coca is difficult to substitute advantageously. If this is the case, especially when comparing one product with another, then it is necessary to broaden the criteria for comparison, taking into consideration other elements not just having to do with income, such as quality of life, living conditions, the social infrastructure, the environment of violence and insecurity involved in the production of one or another type of goods, and access to human rights. In effect all of these considerations are involved with

alternative development and the substitution of a coca economy for a legal one. These elements which aren't necessary collateral but are at the center of alternative development, are normally forgotten, leaving for consideration only comparisons of relative income generated by different products, which diminishes the explanation of a group of very important contextual elements. This theme is extremely important, especially in the eyes of the beneficiaries, if not in the eyes of the public in general. As far as public opinion, little is known regarding this issue; for example, the public does not know that alternative development also means the creation of physical and social infrastructures, improvement of the conditions of education and health, and thus also means the creation of better living conditions that would prevent the people of Chapare and the Yungas from living in an atmosphere of violence and the violation of human rights.

The assessment had access to secondary information prepared by the executing entities and to design documents, so there can be no objections to the validity of information on the alternative development project. It is in the interviews themselves where we detect a negative impression on the part of the beneficiaries. They speak of a lack of information, of a lack of accessibility to information, of project secrecy, or of a suspicion that there exists some sort of discretionary tactic in the management of and access to information. It might not be justified that they perceive things this way, but rightly or wrongly, that is their perception and that, clearly, does not favor the development of the project. On the contrary, it can create negative criticisms and enemies. So, the answer is clear: a deliberate and transparent policy of information delivery is needed. There should be easy access to it, openness to turning over information, results and comparisons. But just as important as this, the information should be instructional, understandable, and should cover citizen-beneficiary areas of interest.

Additionally, it is felt that there is no specific communication policy in the field of alternative development. Many good things have happened, but have not been publicized and therefore are not part of general common knowledge. Such matters haven't been communicated to the people, no information about successes has been disseminated, and this absence of information and lack of communication policy is seen in the public eye as being clandestine. Because of this, the public has not become an ally of alternative development. A change is needed in the institutional image of alternative development, supported by a communication policy that shows an open project, that instructs, that provides transparent information, and that informs about its achievements and results as well as its failures. All this, and the information that goes with it – and here we're not referring to that which is used for propaganda purposes – is quite capable of becoming a project that is legitimized by public opinion and in the eyes of its beneficiaries.

In analyzing the concept of ownership it has already been suggested that the lack of a participatory model, especially in Chapare, gets in the way of project development. The project work in the Yungas provides a way out of this problem, since there alternative development activities are linked to the municipality, with local development defined by the municipality. Some alternative development projects are included in their participatory planning, in their respective POAs, not imposed on them, but with the intention of discussing, in a participatory manner, the convenience, feasibility and utility of including them. In this way, people find legitimacy in these projects, something which will not happen if we're talking about fixed decisions imposed on people without consulting them first, particularly in the case of the likely beneficiaries.

It is very difficult to institute participatory designs, especially in something as complex and politicized as alternative development, but here we need to conduct a cost-benefit analysis, to determine how much is to be gained, as well as how much would be lost by not doing so. The beneficiaries taking possession of these programs are crucial to success. If the people, the public, the coca growers, don't incorporate them as their own, sustainability and success are in serious jeopardy. We're not dealing with the funding agencies or the executing entities losing their respective roles or not understanding the problem, but rather with their willingness and ability to seek greater involvement on the part of the beneficiaries. But the discussion of ownership can't be generic. We can't talk about the public in general or the beneficiaries without more precisely identifying where to place the hierarchies of need, where and for whom to carry out activities to encourage their participation. It would be interesting to know which aspects of participation are being sought, if only for the purposes of identification of demand, design, collaborative implementation, and social control in advance of project development. On the issue of participation, we need specific answers to break down gender discrimination. Even on the part of key social figures who define themselves as being "of the people," there is still a marked discrimination against women, which cannot be reversed by alternative development. In contrast and to the degree possible, alternative development must be ready to undertake positive actions in favor of concrete projects for women. It's not enough to speak of gender crossover, which is an unequivocal form of ignoring women, in effect making them invisible. New positive actions in favor of women must be undertaken through working with young people. To reiterate, it is insufficient to accept participation in principle, we must also know how and in what.

On the other hand and very much linked with what was stated above, we must understand that participation falls within an institutional framework, that is, the municipality. If alternative development does not focus on the municipality, if it does not understand that, as of 1994 when the Popular Participation Law was enacted, development projects fall under this structure, then it will be acting outside a framework that is already recognized and acknowledged by the general population. But a complicating factor is that recognition of the municipality implies recognizing its authorities. In Chapare a good portion of them are MAS, and this means working with them, for the purposes of joining together local development with alternative development. The only thing that mutual prejudices and distrust hurt is the beneficiaries, which contributes to Bolivia making no advances towards substitution of the coca economy.

Along these same lines, the assessment recognizes that development operates in places where there is scant institutional presence on the part of the State, and that where there are some institutions, that are extremely weak. But what the study fails to explain is that one of the few state institutional entities in those environments is that of the municipality. Clearly these are dominated, especially in Chapare, by the MAS and the coca growers, but this is the reality and it can't be changed. If one wants to have an institutional impact there is no other option but to work with the municipality, even if this is not viewed kindly by executing entities and funding agencies. What is important is the result and not the subjective baggage that involved parties and institutions might be carrying.

On the institutional topic it is worth looking at the experience of the DDPC. Its entry into the Yungas was not precipitated by the pursuit of alternative development, but rather with institutional strengthening in mind through the use of technical assistance for the municipalities, for improved planning and participation, as well as increased civil development. All of these things are viable. Sometimes these are to be developed in and of themselves; in other cases they

are closely tied to the implementation of alternative development projects. The assessment is also correct in stating that not only are there institutional weaknesses at the state level, but also on the part of producers' organizations or, in general, of beneficiaries' organizations, so that in practice the challenge is doubled: state institutions as well as societal organizations must be strengthened. However, what must be done is to try to generate a synergistic relationship, such that the project simultaneously supports both types of institutions, and it is critical to work in and with the municipalities, taking care that these are connected to the beneficiary population.

According to some of the results of the interviews and the analysis, it is crucial to reduce surplus coca farms. From the standpoint of tactics it is also vitally important not to stipulate that alternative development comes absolutely with the unconditional reduction of the plantations. This matter of conditionality requires a much finer analysis and should be defined ad hoc for different types of projects, depending on where they are located, whether in Chapare or in the Yungas, and also in accordance with how other similar projects have worked in the past. In addition, it's one thing to reduce the number of coca farms and another to prevent the planting of new coca. Many factors need to be considered in order to make more narrowly-targeted and final decisions.

One thing which generates a negative impression of alternative development was a finding in the assessment that coca farms had been reduced without a corresponding improvement in living conditions, such as infrastructure, education, health, neighborhood roads, etc. This should not occur. On the contrary, there should be a clear correlation between coca reduction and improvement in living conditions, so that people will risk accepting alternative development, as seen from a wider perspective. If this does not happen, the viability of alternative development is in peril -- people must see improvements with their own eyes.

It is almost impossible for alternative development to take place, or even begin, if it is not supported with subsidies. However with economic logic, at the same time it must be understood that excessive subsidies could make the alternative production that has been promoted and developed unsustainable. Here the study needs to go much deeper, with the proper precautions, identifying carefully where exactly the subsidies should go, if they should target only production or if it is just as important to point them towards the commercialization of products. In any case, as far as agricultural development it is a good idea not to bet everything on one product or on just a few; it is better to target the diversification of products as well as those agents benefiting from alternative development. In addition, in the case of the Yungas it is likely that discussions and emphases should lean more towards diversification than towards reduction. In this analytical process one must not lose sight of who the beneficiaries are. It is not enough that they are entrepreneurs. The end result of alternative development must be the democratization of production. As such, its benefits must get to small producers, including the coca growers. This has the advantage not only of social and economic inclusion, but is also the way we get the benefits of having legitimized the project.

CHAPTER V

STRATEGIC AND POLICY IMPLICATIONS

In the course of conducting the assessment, the Team encountered a number of issues that are beyond project-specific concerns, but are considered crucial for future success of AD programs. They are briefly discussed here. However, the team notes that many of these issues merit further separate treatment beyond the scope of this assessment and the brief discussion that follows.

A. THE MAGNITUDE AND NATURE OF THE PROBLEM

One of the underlying central theses of this Assessment is that successful execution of US coca production and eradication policies and programs in Bolivia is a complex task that cannot be achieved, nor can the results be sustained, simply by successful execution of a series of projects by USAID alone, no matter how well designed. Major issues regarding sustainability, participation and consistency by the Government of Bolivia, proactive participation by other donors, and coordination with AD programs in other coca producing countries are vital components for sustainable success.

As noted in the Introduction to this Assessment, the USG multi-decade campaign to stem illicit coca production has entered a new chapter characterized by a significant leap in social and political complexity. The challenges and context faced by USG narcotics programs and USAID's AD programs are kaleidoscopic: largely a program to stem cultivation of illicit coca, they must grapple with it in a context of obdurate rural poverty, and recently politicized local governments that oppose eradication. As stated by President Carlos Mesa (Wall Street Journal, January 8, 2004), "We are paying for a large historical bill. The racist underpinning of Bolivian society is still there, while the possibility of an ethnic confrontation is still there."

Many of the dimensions of the problem are beyond the mandate and management control of USAID. However, USAID can play a very effective role in carrying out its role in the overall USG narcotics program. The opportunity to do so exists in USAID Bolivia's ongoing efforts to revamp programs in response to the new dimensions of the AD challenge. AID/W support is vital in enabling and assisting USAID's efforts. For instance, the Mission will require AID/W active support to eliminate bureaucratic hurdles and to be a proactive partner in dealing with other donors—the Washington based IFI's. (See below.) A number of factors need to be considered in order to seize the opportunity, as indicated in the discussion that follows.

B. INSTRUMENTS TO MATCH THE PROBLEM

1. Multifaceted Programs

First, precisely because stemming illicit production of coca in Bolivia is intertwined with social and political issues, and therefore multidimensional, the design and execution of USAID programs must be similarly multifaceted. In that regard, the Mission has initiated sound changes in program direction with an AD program that has begun to focus on democratic governance, popular participation, community development and some of the social services required in the Chapare and Yungas. However, these efforts need to be expanded very rapidly, which will be a challenge for traditional program preparation and implementation modalities.

2. *Speed and Flexibility*

Achieving the necessary changes in the style of program management and execution will represent one of the greatest challenges to USAID/Bolivia. Because the nature of the target group and the problem (political, social or illicit coca) can change very rapidly, often for political reasons, USAID's response instruments must demonstrate equal if not greater flexibility and rapid reaction capability. In addition, the response should be significantly "demand" driven, based on real time contact with the target group. (See below) Chapter III of this report, Municipal and Social Participation and Development, highlighted the most repeated themes of the majority of respondents regarding the need for greater congruency between USAID support and the needs of local communities and government. The type of flexible and rapid program suggested in this section is ideally suited for carrying out many of the recommendations contained in Section III, given the fluid nature of community needs and political events at the municipal level. Finally, the recommendations in Chapter II, concerning agricultural production and CONCADE, deal with increased need for participatory approaches, and effectively, with need for flexible approaches that meet market and private sector criteria.

Recommendation: USAID should seek greater **flexibility** by designing its' programs as a broadly framed statement of problems, rather than response parameters based on design assumptions, and other aspects that lead to built-in rigidity, such as pre-envisioned quantitative outputs and targets. The political culture of coca production and municipal development in Bolivia is neither sufficiently simple nor static to permit such an approach. Rather, USAID should design programs whereby only limited amounts of funds are committed to specific activities with performance indicators appropriate to those shorter term efforts.

Reviews of "demand and response congruency" can be held as frequently as field based managers deem necessary, and contractors / grantees can be held accountable for their ability to be flexible, adjust staff to changing demands, and to be part of the process of monitoring community social, political and institutional events and developments. As part of this review process, performance against existing indicators would be assessed, and adjustments made for the next phase of evolved activities.

Recommendation: Due to the concern with the nature of participation and dealing with beneficiaries as participants that permeates this document, USAID needs to seek contractors and grantees in the future, which have excellent community development track records and success in the design and execution of multidisciplinary operations. Ideally, in the case of the successor to CONCADE, a high level project official, at least at the level of Deputy Chief of Party, should be a thoroughly seasoned and field tested expert in community development.

A Framework for Implementation

The Bolivia AD program poses some unique challenges in both Chapare and Yungas. There are many activities going on in wide spread geographic areas which pose implementation and coordination problems. The Assessment clearly shows both problems and success at the municipal level. Success appears to occur when there is real participation by the community/municipality in the identification of problems as well as their prioritization and remedies. If the Mission were to design projects that utilize the municipality as the unit of implementation/coordination, and could embrace a participatory approach as discussed and

recommended in Chapter III, the team believes that impact would be heightened. The proposed approach would build on and expand the planning process currently utilized at the municipal level. AID contractors could assist the planning process and could provide technical assistance ***as required and defined locally by beneficiaries and Mission contractors.*** Contractors would be required to assign staff to manage the process for an agreed number of communities, who would be the principal point of contact for the Mission and the selected communities and would assist, monitor, report back and be able to request assistance.

Special Instruments

The discussion in this section does not apply to the design and execution of USAID's regular AD portfolio. The speed required for reacting to certain needs and targets of opportunity will likely elude even the most flexibly designed programs of the regular portfolio in certain critical circumstances.

Recommendation: USAID and the Embassy should agree on Rapid Reaction Resources. For instance, in the event of a declared target of opportunity, the RRR would be deployed to start an operation, to be followed by the greater resources and staff of the appropriate USAID flexible grant or contract. A properly conceived RRR would need to deal with three factors: funds, staff and speed, the latter being the most critical.

A typical RRR approach might appear as follows:

▶ **Maximum reaction time:**

- for a typical project opportunity: two weeks;
- for a disaster, man-made or natural, 24 hours

- ▶ **Staff:** *Stage A:* In the likely event that Country Team human resources will take some time to be deployed, utilization of agreements in place with local NGO's, construction firms, suppliers of goods and services retained on a "When and As Needed " basis is recommended. NAS Civic Action staff could be coordinators and accountable in some cases, or pre-identified members of the significantly enhanced field staff contingent of USAID, recommended below, could serve as coordinators if the recommendation is realized.

Stage B: a Rapid Deployment Group identified before hand from Mission/NAS/Embassy staff should be established and put into action as needs require, and to assist the "Stage A" group;

Stage C: Identification of staff from various contractors/grantees pre-designated to participate in pursuing targets of opportunity, selected for their technical skills.

- ▶ **Funding:** Possible sources: Civic Action Funds (ICAP), Local Currency (Pl 480, etc.) and the Special Development Activities Fund (SDA), formerly known colloquially as "The Ambassador's Impact Fund", and a modest earmarked amount of regular AD funds.

- **Funding Target:** \$1-1.5 million per year. (See comments below on Civic Action for rationale.)

Recommendation: Comment on Funding: Country Team commitment to an RRR approach and mechanism needs to be very explicit *ex ante* in order to minimize the possibility of bureaucratic snags regarding availability of funds at the time that unforeseen needs and opportunities occur. NAS/Bolivia noted to the Assessment Team that Civic Action was being highly emphasized by State, but that funding is limited.

This sort of approach to fast, flexible target-opportunistic management is feasible. In fact, elements of this approach have already been put forth. An unclassified cable shortly after the crisis of October 2003 contained proposed responses from various Country Team agencies. The USAID portion discussed a variety of programming and reprogramming options, and mentioned that the SDA fund would be “reinstated”, which is laudable. However, the crisis response clearly involved an extraordinary series of programming decisions and events, to some extent disruptive of “normal” programs. The proposal contained above, that is the “fast and flexible” approach, and the RRR would pre-position USAID and the Country Team to respond to such crises as a “normal” event, that is, as part of the purpose of the design and existence of such instruments.

Civic Action

Recommendation: At a minimum, even if the Mission pursues no other form of fast and flexible programming instruments, USAID’s financial participation and support for Civic Action should be significantly increased.

As noted earlier, it is a high priority area for State, although funding is limited. It meets the criterion of taking advantage of unanticipated targets of opportunity, and should be viewed as an important instrument in the Country Teams’ array of response instruments. The sources for financing would come from the same sources mentioned above in the recommended RRR and would complement the recommendation (see below) —if accepted—that a new style of implementation should include “more boots on the ground”, in order to have a much more tangible and complete sense of events in rural areas and in the municipalities. The range of financing recommended above in the discussion of RRR is based on preliminary information received by the Team from NAS regarding the Civic Action portfolio, which indicates that fully executed projects totaled some \$228,500 in approximately a three month period. For the purposes of this discussion we take that as an example of ICAP’s capacity: about \$1 million per year.

3. Human Resource Considerations

The staffing considerations mentioned below are an important corollary to the matters raised in the prior section.

Accountability and Operational Coherence

AD funded programs permeate the Mission’s portfolio, which is a sound approach. DEM/SOT, EO/SOT and H/SOT all manage AD funded activities, and there are some AD financed

environmental activities. This is solid proof that the Mission has begun to broaden the AD program.

Recommendation: Nonetheless, some arrangement needs to be sought whereby AD/SOT becomes the principal accountable party with authority regarding the content and execution of AD-funded activities, particularly as the political sensitivity rises. Other Missions undoubtedly have faced similar situations, and USAID/Bolivia should review such cases, particularly the case of USAID/ Peru.

Field Presence

Recommendation: The Assessment Team considers that a sharp increase in field presence is required. To maintain the proper degree of intelligence and awareness of municipal events that effect and shape USAID's AD programs, there is no substitute for more "boots on the ground", and they should be Bolivians who are attuned to the culture of local government. Currently this dimension is lacking –except for project dedicated technicians—and explains why programs such as AMVI have been able to function successfully, despite the negative image of AD.

This limited field presence goes a long way in answering the two key questions,” What was overlooked?” and, especially, “Why did oversights occur?” Simply stated, USAID would be well served by developing direct channels of contact with the target group it most earnestly needs to persuade.

The issue of the extent and nature of field presence is one of several key concerns that can strongly determine future program success. In the case of Yungas, the distances are so great and travel so time consuming, that one Yungas Coordinator is simply insufficient for the required in depth and frequent contact with all municipalities that is required. Several coordinators/observers are required and they need to reside full time in the region. Similarly, in Chapare, one Regional Coordinator is not sufficient. Several more observers/coordinators need to be assigned, and they need to reside full time in the Chapare region.

In addition, the Mission should give serious consideration to elevating the Regional Coordinator position (for both Chapare and Yungas) within the Mission's hierarchy, and assign considerable decision making authority to the Coordinators. This Regional Coordinator profile calls for recruiting thoroughly seasoned and field-tested personnel that have had supervisory experience and decision-making authority.

Country Team Coordination

By all accounts, coordination between NAS and USAID has sharply improved within the last six months. However, the Team was surprised to learn that neither USAID nor DAI has timely information regarding location of eradication efforts, so that AD instruments can be brought to the attention of those whose coca has been eradicated.

C. COMMUNICATION

Recommendation: The Mission should rapidly develop a communications program.

Limited understanding, inadequate information, and clear misinformation about Alternative Development were a very detectable undercurrents in many of the interviews. The Assessment Team is aware that concerns for improved communication has been recommended by other analyses of Alternative Development -- particularly the Jackson team report of early 2003--and that the Mission has been in discussion with parties that could develop a communications program. Also, a pressing need for such an effort is emphasized in the Chapter on “A Bolivian Perspective.” As stated therein, “.....a deliberate and transparent policy of information delivery is needed. There should be easy access to it, openness to turning over information, results and comparisons. But just as important as this, the information should be instructional, understandable, and should cover citizen-beneficiary areas of interest.

Additionally, it is felt that there is no specific communication policy in the field of alternative development. Many good things have happened, but have not been publicized and therefore are not part of general common knowledge. Such matters haven’t been communicated to the people, no information about successes has been disseminated, and this absence of information and lack of communication policy is seen in the public eye as being clandestine. Because of this, the public has not become an ally of alternative development. A change is needed in the institutional image of alternative development, supported by a communication policy that shows an open project, that instructs, that provides transparent information, and that informs about its achievements and results as well as its failures. All this, and the information that goes with it – and here we’re not referring to that which is used for propaganda purposes – is quite capable of becoming a project that is legitimized by public opinion and in the eyes of its beneficiaries.”

D. OTHER DONORS

In discussing the nature and magnitude of the problem, it is Assessment Team’s view that USAID’s resources are not likely to be sufficient to achieve significant **institutionally, financially and politically sustainable** impact in stemming illicit coca. USAID needs to seek proactive partners in the donor community, if USG goals regarding coca production are to be attained. On the face of it, such partnerships should be easily attained, since all donor countries are dealing with some significant degree of drug use problems, and the companion issue of high incidence of AIDS among drug users. Yet the opposite is true. In Bolivia, the only parties dealing with illicit coca are the USG and the Government of Bolivia. A type of “donor fatigue” appears to have set in, accompanied by a fear of bilateral and multilateral donors of being “painted with the same brush” of being anti-coca, and all that it entails in Bolivia’s current political context. This isolation has had a pernicious effect in the current political turmoil: it has provided the opposition with an easy target for its rhetoric that the USG policies to stop coca production are really aimed at destroying the indigenous culture. These claims would not be so easy to assert if the bilateral donor community was fully involved and supporting the coca issue. Donor solidarity on the issue is also required because the financial and institutional challenge of limiting illicit coca production, via major sustainable improvements in the welfare and income of rural areas, is beyond USAID’s resources. Most striking in this scenario is the postures of the IFIs, who finance their projects in Bolivia with “concessional funds” (IDA and FSO, for the World Bank and IDB respectively), which are funds donated to the IFIs (appropriated funds by

legislative bodies) for use in low income countries by non borrowing members of the IFIs. There is no significant mention of AD in the annual programming exercise of the World Bank and the IDB, and their portfolios do not explicitly reflect AD supportive programs in the Chapare and Yungas.

Recommendation: The Team strongly recommends that USAID and AID/W, with the participation of State and Treasury jointly undertake a concerted and persistent effort to make major changes in IFI support of AD. Such efforts need to be paralleled by USG efforts in La Paz in dialogue with the Government regarding establishing a heightened visible role for AD in the lending priorities for the IDB and World Bank loans in the annual programming exercise conducted in La Paz between the Government and the IFI's. Therefore, the Bolivian Governor(s) to the IFIs is the central point for the USG (Embassy/AID) high-level dialogue to begin. AID/W together with other interested USG agencies, and dealing through the IFI, should pursue the specific agenda prepared by USAID for the Washington level discussions. Such an agenda could include, for example:

- ▶ Identification of ongoing project in the portfolios of both institutions, which could direct some resources to the Chapare and Yungas. This sort of re-programming occurs frequently, and is feasible in principle without the involvement of the Board of Directors of these institutions, as long as the original project objectives are maintained. Infrastructure projects lend themselves to this sort of reprogramming very well.
- ▶ Request for consultation with the Governor to the Banks and with the relevant Operational Department of each institution, prior to the annual programming exercise, which is the event where new projects are agreed.
- ▶ Each of the IFIs provides grant based technical assistance to Bolivia. In the case of the IDB, it ranges from \$800,000 to \$1 million per year. These grants are based on GoB requests. USAID and the US Executive Director should request that proper support for AD is included.

In summary, this is an important initiative, but must be conducted in tandem by AID/W and USAID. The active participation in AD by the IFI's is necessary if major advances toward financial sustainability for AD are to be achieved, and eventually diminishing the US bilateral program, which has existed for several decades.

Parallel to this effort, the Embassy and AID should devise an approach for bringing bilateral donors to the AD table.

E. GOVERNMENT OF BOLIVIA

The Team noted several matters it is important for the Government of Bolivia to pursue.

1. One of the greatest problems in image and perception of AD concerns another aspect of the donor issue, in this case the European Union. The EU conducts a municipal development program in the Chapare. As noted repeatedly by the respondents in all Municipalities, the EU program is not coca-conditioned, but USG supported AD is. It is important to note that the Vice Ministry of Alternative Development approved this

program. This apparent policy inconsistency on the part of the GoB has caused damage to the US program for AD in several ways. For instance, municipalities expressed confusion and considerable rancor about conditioned assistance, particularly when they can obtain support without dealing with the highly contentious issue of coca eradication. This situation complicates the credibility of US sponsored AD program approach. Also, unconditioned assistance by foreign donors puts the USG efforts on a very uneven playing field.

2. In view of the need for policy consistency vis-à-vis donors, the need to raise GOB priority support for AD via greater IFI involvement, and the need, as repeatedly recommended in this Assessment, to include other Ministries in the AD dialogue, as the USAID broadens its approach to AD, a **General Manager for Alternative Development** is needed in the GOB, who reports directly to the President. The GOB's National Plan for Alternative Development does not limit the Vice Ministry's mandate for AD solely to agriculture. As the breadth of AD programs sponsored by USAID continues to grow, the Mission needs to be vigilant that coordination beyond the Vice Ministry's mandate – should that be the case—adequately involves other GOB Ministries and agencies for areas that may not be the specialty of the current counterpart Ministry nor its' mandate.

This recommendation is uniquely important for Mission consideration for other reasons. First, it will be a major step to official and public recognition that Alternative Development is a national *Bolivian* program, which is a stature that the program currently has not quite completely achieved. The Assessment Team's impression is that there is little knowledge and a great deal of misinformation about the program. Second, the appointment of a high level official for Alternative Development would also be a focal point and facilitate the critically needed AD Communications program, which was a particularly important point emphasized in the Chapter on "A Bolivian Perspective."

3. GoB presence in terms of AD, leaving aside its involvement in eradication, is limited largely to PDAR, which in the case of Chapare has its central office located in Cochabamba, not in the project area. Also, Government services are scarce to non-existent. If major strides toward sustainability are to be made, then the Mission must press for an increase in Government presence to establish its legitimacy in Chapare and Yungas. Here again, this is unlikely to change significantly without the proactive participation of other bilateral and multilateral donors.

In fact, greater presence by the GoB is part of USAID's strategy. Section 1.a) *Statement of Strategic Objective: Illicit Coca Eliminated from Bolivia*, of the strategy paper mentioned earlier (prepared by W. Baucom) effectively states this; and IR 1 in that document explains "**sustainability**" in terms of increased incomes and basic public services. Only the Government can respond to these needs. Donor programs are only a short-term substitute.

F. LESSONS LEARNED FROM OTHER AID PROGRAMS

Recommendation: The Mission may wish to examine closely the experience of USAID/El Salvador, in the project, "Mayors in Action" (MEA), which was conducted in the 1980's. While the context was different because of the open armed conflict that prevailed, many of the issues

faced by that Mission and addressed through that project are sufficiently similar to the challenge of Municipal Development and greater Government presence in a context where Central Government legitimacy is questioned and threatened. The document is available from USAID/El Salvador or AID/W, and was prepared by Checci and Company in June 1994. Furthermore, the Mission would profit by inviting those involved in the project to Bolivia for briefings; and/or visits by Mission staff to the San Salvador to be briefed by staff operating the ongoing successor project would be very worthwhile, and truly a beneficial “lesson learned.”

ANNEXES

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ANNEX 1

RESUMEN DE LAS ENTREVISTAS

En este punto se hace un resumen de las apreciaciones vertidas por los actores que fueron entrevistados en el trabajo de campo, en forma enunciativa.

BANANA PRODUCTOR

Falta infraestructura de cosecha y empaque.
Casi todo el dinero de apoyo se va en alquiler, sueldos gordos, etc.
No consideran a todos los productores solo a los asociaciones selectas.
Las asociaciones han disminuido sus miembros activos(Familias).
La unión es muy lenta para pagarnos, tiene 8 semanas de atraso.
Este año las exportaciones subieron por la inundación en Brasil.
Nuestra tierra se inunda y eso mata la planta.
Gracias al PDA hemos podido mejorar nuestras plantaciones.
Necesitamos material vegetal a tiempo.
Hay muy poca área acondicionada para exportación(11%).
Pocos productores entrenados para manejo de exportación (40%)
Solo 3.000 de las 25.000 has tiene infraestructura exportadora
El precio es favorable al agricultor.
No conocemos la banana del Ecuador.

DIRIGENTE DE ORGANIZACIÓN O PROCESADOR

Lo único bueno que han hecho es el incentivo al agricultor por caja exportada. Los fertilizantes cuestan el doble que en Ecuador.
Los agricultores no tienen condiciones de proveer la fruta por eso no estamos vendiendo más.
Deben dar soporte al agricultor que hasta ahora no haya sido beneficiado con la infraestructura y el entrenamiento.
Hay limitación de transporte refrigerado en el país.
Nuestra caja pesa 4 kg. más que la ecuatoriana y vale de 1 a 2 dólares menos.
Nuestras cajas se apilan hasta 5 luego se doblan la Ecuatoriana hasta 9.
La competencia es mejor que nosotros solamente en el tamaño mas grande y homogéneo, para eso se necesita un mejor manejo de fertilizantes,
En Buenos Aires no podemos competir con el precio de la Ecuatoriana necesitaríamos bajarle el precio en 50 centavos al agricultor para competir.
En adelante su principal función es monitorear para que los fondos rotativos se consoliden y podamos ser autosuficientes.
Deben desarrollar conjuntamente con el exportador la búsqueda y consolidación de mercados.
Desarrollar imagen de marca asociada al país, para posicionar el producto, diferenciarlo por su sabor, crear campañas de fidelización en el mercado Argentino es una necesidad inmediata.

PALMITO PRODUCTOR

El precio no cubre los costos..
Han hecho monopolio las 3 procesadoras.
Si no arreglan el precio cortaremos las plantaciones.
Las empresas del PDA compiten entre sí en forma inadecuada y descuidan al productor.

DIRIGENTE DE ORGANIZACIÓN O PROCESADOR

Podemos duplicar la compra de cogollos, pero los agricultores no tienen suficiente.
Ecuador y Costa Rica tienen mejores productos que nosotros, ellos han dejado de producir este año y nuestras ventas han crecido.
Hemos recibido ayuda indirecta y algo en la búsqueda de mercados.
Las empresas se han esforzado por sellos internacionales lo que les ha permitido ingresar a nuevos mercados generando un incremento substancial en ventas.
El precio internacional ha subido y está en alza.
Nos engañaron sobre la existencia de plantines.
Ahora deben hacer plantar y dar soporte para que el agricultor sea eficiente, si no el cultivo no es rentable.
Necesitamos 1.000 hectáreas con 10.000 plantines cada una.
Nosotros no invertiremos en la producción de la plantación.

Deben ayudar al agricultor a mejor manejar sus plantaciones, densidad, fertilización y el concepto de rendimiento por número de cosechas, para que la actividad le sea rentable.
Deben subvencionar fertilizante al agricultor.
La atomización de los centros de cultivo puede generar problemas a futuro.
Productividad decreciente.

PIÑA PRODUCTOR

El nuevo sistema de extensión con los promotores es favorable no deben pararlo.
Necesitamos material vegetal a tiempo, no en forma tardía.
Soporte para incrementar el área de producción.
Es un cultivo rentable.
Favor ni piensen en para el programa de DA, necesitamos por lo menos 2 años más.

FLORES Y MIEL PRODUCTOR

Las familias han disminuido de 36 a 18.
Los ingresos promedios han aumentado.
El número de Has están aumentando este año en 19 Has de 12 que eran.
El valor unitario del producto se ha mantenido.

DIRIGENTE DE ORGANIZACIÓN O PROCESADOR

Estamos en buen camino pero necesitamos desarrollar el mercado nacional y exportar para subsistir

Incrementar la producción

Consolidar la comercialización a través de desarrollo de los canales de intermediación y fortalecer los servicios de entrega al consumidor final del mercado domestico.

Desarrollar mercados fronterizos.

CÍTRICOS PRODUCTOR

Hay sobre producción, no hay procesamiento ni soporte en comercialización.

Cada vez que cambian de personal o de programa se comienza de cero, esto es malo.

Deben incluir al productor en la planificación. Nadie pide nuestra opinión.

DAI solo coordina con los jefes técnicos y no con los agricultores o las instituciones.

Implementar planta beneficiadora de los cítricos, jugos, concentrados, cámara de frío, etc es una necesidad urgente.

Dan soporte para diversificar.

RAÍCES PRODUCTOR

La burocracia llega a limites insospechados, para retirar el valor de Bs 25 tenemos que hacer 6 firmas.

Prometen y cumplen tarde y solo parcialmente.

La coordinación la hacen con los técnicos y no con los productores.

Deben incluir a los productores en la planificación

PIMIENTA NEGRA PRODUCTOR

No hemos recibido apoyo efectivo en el área de producción, puras promesas.

Faltaron los tutores.

En este rubro no hay una asociación especializada. Se esta formando una.

El nuevo sistema de extensión es claramente mucho mejor que al anterior.

Se debe habilitar la planta procesadora de pimienta existente.

Todo lo que se produce se vende.

Ahora nos están capacitando.

Esta claro que gracias al PDA ahora nosotros estamos en mejores condiciones que ellos (los coccaleros)

MARACUJA PRODUCTOR

Hemos disminuido a 25 socios.

El área de cultivo esta en aumento, limitación es el alambre, pero se ha recibido apoyo técnico y económico

Ahora estamos viendo los frutos (\$)

DIRIGENTE DE ORGANIZACIÓN O PROCESADOR

Todo apoyo era condicionado.

Ahora queremos apoyo en el área comercial

Se ha recibido bastante ayuda, técnica y económica.

Ahora creemos que ya somos autosostenibles para mantenernos pero para crecer necesitamos soporte comercial, un año más.

FORESTAL PRODUCTOR

Se inicio el apoyo con resultados excelentes y no se dio continuidad.

Hay otros productores que deberían beneficiarse de esta cooperación técnica.

El área sembrada esta creciendo.

Los precios han subido gracias al manejo forestal y técnicas de mercadeo, como ser licitar la compra del manejo de la gestión.

DIRIGENTE DE ORGANIZACIÓN O PROCESADOR

Reforzar esta actividad que genera un gran valor a la propiedad del agricultor.

Nos han abierto los ojos.

Ahora ya estamos capacitados técnicamente, necesitamos apoyo comercial.

GANADERÍA PRODUCTOR

Se inicio el apoyo con excelentes resultados.

Hemos aumentado nuestros ingresos considerablemente.

Hemos aprendido a diversificar para progresar.

COMENTARIOS EN GENERAL

Los comentarios en general se refieren a temas institucionales o no asignables directamente a un rubro, en frases vertidas por los actores.

Han aportado mucho en el PDA, pero tienen una actitud muy altanera, gastan dinero en administración mas que en producción, prometen y no cumplen, llegan tarde y entregan menos de lo comprometido.

Demasiados exigentes con sus condiciones, últimamente bajaron su nivel de exigencias, a veces demasiado esfuerzo técnico teórico, pero no practico.

Los de PRAEDAC no piden condiciones, son ágiles, actitud participativa, tienen programas de visitas consultivas periódicas con las instituciones.

Apoyan muy selectivamente pero eficientemente y sus acciones se ven.

ANNEX 2

CLARIFICATION OF CONCADE– DAI INDICATORS

The indicators shown below are based on the following documents:

DAI Contract signed May 27, 1999

Mod. 6 to DAI Contract signed June 1, 2001

Mod. 17 to DAI Contract dated Sept. 5, 2003:

DAI Qtr. Report for 9/2003

Strategic Objective No. 1: Sustainable farm-level production capacity for licit crops established

INDICATOR 1.1:

DAI Contract: Indicator No. 1.1: Eradication conditionality increasingly accepted by farm families. 25,000 farm families by 12/2002

Mod. 6: Indicator No. 1.1 Farm families receiving alternative development assistance conditioned on coca free areas/agreements. 20,000 farm families by 12/ 2002 and 25,000 by 6/2003

Mod. 17: Indicator No. 1.1 Number of farm families that receive AD assistance from CONCADE in the Cochabamba Tropics. 25,000 by 12/2003 and 30,000 by 11/2004

Mod. 17: Sub Indicator 1.1.1: Number of farm families that receive agricultural extension services or other direct benefits from CONCADE in the period June 2003 to November 2004.. Number of families was not determined.

DAI Qtr. Report 9/2003 : Sub-Indicator 1.1.1: Additional number of farm families that directly receive Alternative Development assistance form CONCADE-DAI 13,923 by 12/2003.
Achieved 9/3003 – 12,750 families

(NOTE: The difference between 1.1 and 1.1.1 is the number of families receiving indirect benefits from road infrastructure, which is reported separately, but not as a sub-indicator!)

Mod. 17: Sub Indicator 1.1.2: Number of women who participate in or obtain benefits from CONCADE programs targeted to women (credit, employment, use of daycare facilities, and others) 2,500 by 12/2003 and 3,500 by 11/2004. **Achieved 9/2003 – 1,670 families**

INDICATOR 1.2:

DAI Contract: Indicator 1.2 Increased hectares of licit crops sustainably planted in the Chapare: 119,000 hectares by 12/2002

Mod. 6: Indictor 1.2: Area of licit crops planted in the Chapare. 12/2002 - 128,500 hectares; 6/2003 - 132,900 hectares.

Mod. 17: Indicator 1.2 Area of licit crops, including pastures, planted in the Cochabamba Tropics. 12/2003 – 132,900 hectares; 11/2004 – 136,900 hectares.

ACHIEVED 9/2003 – 127,013 HECTARES

Mod. 17: Sub-Indicator 1.2.1—Prime Contractor's contribution to increasing the area of licit crops, by crop in the period June 2003 to November 2004 Number of families was not determined.

DAI Qtr. Report 9/2003:Sub- Indicator 1.2.1: Additional established area of licit crops and pastures directly attributed to support from COCADE-DAI. 12/2003 - 30,199 hectares ; 11/2004 – 36,601 hectares. **Achieved 9/2003 – 26,094 hectares**

Mod.17: Sub-Indicator 1.2.2: Prime Contractor's contribution to yield improvements for specific priority crops in the Cochabamba Tropics. Average 25% increase!

DAI Qtr.. Report 9/2003: Sub-Indicator 1.2.2 : Increased crop yields for specific priority crops attributable to direct support from CONCADE-DAI. To be determined
Achievement not determined

INDICATOR 1.3

DAI Contract: Indictor 1.3: Alternative Development subsidies increasingly reduced. (See sub-indicators below)

DAI Contract: Sub-Indictor 1.3.1: Farmer organizations graduated from CONCADE assistance. 12/2002 – 26 to 50 percent.

DAI Contract: Sub-Indictor 1.3.2: Overall subsidies on productive infrastructure reduced. 12/2002 – 0 percent

DAI Contract: Sub-Indictor 1.3.3: Sustainable capacity for sustainable maintenance of road infrastructure enhanced. 12/2002 – municipal 55%, community 30%

DAI Contract: Sub-Indictor 1.3.4: Sustainable capacity for sustainable improvement of road infrastructure enhanced. 12/2002 – community/others 30%

Mod. 6: Indicator 1.3: Sustainable local organizations less dependent on subsidies: 12/2002 – 25%; 6/2003 – 30%

Mod 6: Sub-indicators: Not included

Mod. 17: Indicator 1.3: Not included: **Achievement not determined**

Specific Objective No. 3: Alternative Development Organizations Strengthened

INDICATOR 3.1

DAI Contract: Indictor 3.1 Increased capacity for sustainability in farmer organizations. 12/2002 - 50 organizations

Mod. 6: Indictor 3.1: Development organizations in the Chapare effectively advance the interests of their members. Increase in dues paying members – 10% per year.

Mod.17. Indicator 3.1 Prime Contractor's contribution to expanding organizations which are increasing savings for sustainability and regularly electing new officers in compliance with democratic principles. Not determined.

DAI Qtr. Report 9/2003: Increased savings and democratic procedures in Second Level Farmer Organizations attributable to direct support from CONCADE-DAI. 12/2003 –8 OSN's and UNA's; 11/2004 - 12 OSN's and UNA's. **Achieved 9/2003 – 7 OSN's and UNA's.**

INDICATOR 3.2

DAI Contract: Indicator 3.2: Number of farmer organizations paying for their own technical assistance. 12/2002 -40 organizations

Mod. 6: Indicator 3.2: Increased capacity for technology transfer. (See amounts in sub-indicators)

Mod. 6: Sub-Indicator 3.2.1: Number of legally registered organizations generating revenues which also provide services to their members or clients. 12/2002 - 52 organizations , 6/2003 - 58 organizations

Mod. 6: Sub-Indicator 3.2.2: Number of farmer organizations paying for their own technical assistance. 12/2002 - 55 organizations, 6/2003 - 63 organizations

Mod. 17 Indicator 3.2: Not included Achievements not determined

INDICATOR 3.3

DAI Contract: Indicator 3.3: Increased capacity for technology transfer in GOB organization (IBTA/Chapare) 12/2002 -75%

Mod.6: Indicator 3.3: Not included

Mod. 17: Indicator 3.3: Not included **Achievement not determined**

INDICATOR 3.4

DAI Contract: Indicator 3.4: Increased capacity for technology transfer in non-government/private organizations. 12/2002 - Bananas 135 mt/has; Pineapple - 13.5 mt/has; Passion fruit - 10 mt/has; Palm heart - 900 kg/has; Black pepper - 3 mt/has.

Mod. 6: Indicator 3.4: Not included

Mod. 17 Indicator 3.4: Not included. **Achievement not determined**

Specific Objective No. 2: Sustainable Market Linkages established:

INDICATOR 2.1

DAI Contract: Indicator 2.1: Net income from CONCADE-assisted crops increasing by 3-4% annually. 12/2002 - \$1,960 annual income per capita.

Mod. 6: Indicator 2.1: Net income from CONCADE-assisted crops increasing by 3.5% annually. 12/2002 - \$1,828 farm-gate value, 6/2003 - \$1,864 farm gate value

Mod 17: Indicator 2.1: Annual per family farmgate income from sales of licit agricultural and livestock products. 12/2003 - US\$ 2,224; 11/2004 - US\$ 2,300
ACHIEVED 9/2003 - \$2,300

INDICATOR 2.2

DAI Contract: Indicator 2.2: Domestic agro-businesses purchasing Chapare produce and/or supplying agro-inputs on a regular basis. 12/2002 - 80 businesses

Mod. 6: Indicator 2.2: Agro-businesses purchasing Chapare agricultural products and/or supplying agro-inputs on a regular basis. 12/2002 - 85 businesses, 6/2003 - 90 businesses.

Mod.17. Indicator 2.2: Number of agribusinesses which regularly buy licit products and/or supply farm inputs in the Cochabamba Tropics. 12/2003 - 95 agribusinesses; 11/2004 - 110 agribusinesses. **Achieved 9/2003 - 97 agribusinesses.**

INDICATOR 2.3

DAI Contract: Indicator 2.3: Agro-businesses exporting Chapare produce on a regular basis. 12/2002 - 15 businesses

Mod. 6 Export indicator not mentioned.

Note: Apparently, Indictors 2.3 and 2.5 were included in Mod. 17 Sub-indictor 2.3.1, which is part of Contract Indicator 2.4

INDICATOR 2.4

DAI Contract: Indicator 2.4: Market value of licit crops increasing by 20-30 percent annually. 12/2002 - \$91,000,000

(Note change in Indicator No.)

Mod. 6. Indicator 2.3: Marketed value of Chapare licit crops and livestock increased: 12/2002 - \$76,000,000; 6/2003 - \$80,500,000 wholesale value.

Mod. 17: Indicator 2.3: Wholesale value of licit agricultural and livestock products leaving the Cochabamba Tropics. 12/2003 - US\$ 32 million; 11/2004 - US\$35 million.

ACHIEVED 9/2003 - US\$26.5 MILLION

Mod. 17: Sub-Indicator 2.31: Dollar value of sales from a selected set of Unions of Producer Associations (UNAs) or CONCADE-assisted enterprises, including export sales. US\$ 250,000 (June-Dec 2003); 11/2004 - US\$ 350,000

Achieved 9/2003 - To be measured in 12/2003

INDICATOR 2.5

DAI Contract: Indicator 2.5: Exports of Chapare licit produce increasing annually. 12/2002 - \$7,000,000

NOTE: INCLUDED IN MOD.17 SUB-INDICATOR 2.3.1

INDICATOR 2.6

DAI Contract: Indicator 2.6: Licit agricultural-based employment. 12/2002 - 6,000 jobs.

(Note change in Indicator No.)

Mod.6: Indicator 2.4: On-farm employment created in licit Chapare agriculture.

12/2002 - 50,500 jobs; 6/2003 - 51,750 jobs

Mod.17: Indicator 2.4: Number of on-farm jobs created in licit farming and ranching activities in the Cochabamba Tropics. 12/2003 - 55,400; 11/2004 - 57,000 jobs.

Achieved 9/2003 - 52,997 jobs

Mod. 17: Sub-Indicator 2.4.1: Prime contractor's contribution to increasing the number of on-farm jobs in farming and ranching. 12/2003 - 7,200 jobs (June-Dec 2003) 11/2004 - 11,700 jobs. **Achieved 9/2003 - 17,935**

INDICATOR 2.7

DAI Contract: Indicator 2.7: Licit non-agricultural job created. 12/2002 - 450 jobs

NOTE: MOD. 6 MOVED THIS TO INDICATOR 4.2

Specific Objective No. 4: Private sector investment and agriculturally- based industries stimulated.

INDICATOR 4.1

DAI Contract: Indicator 4.1: Investment Credit needs identified 12/2002 - 10 applications

INDICATOR 4.2

DAI Contract: Indicator 4.2: Investment credit fund established and operational. 12/2002 - 5 businesses

Note: Apparently the idea of investment credit was dropped and Indictors 4.1.and 4.2 were changed by Mod. 6.

INDICATOR 4.1(NEW VERSION)

Mod. 6: Indicator 4.1: Increased investments by the business sector 12/2002 - \$37 million ; 6/2003 - \$38 million

Mod. 17: Indicator 4.1: Value of business sector investment in the Cochabamba Tropics. 12/2003 - \$59 million; 11/2004 - 62 million . **Achieved 9/2003 -\$56.4 million**

Mod. 17: Sub-Indicator 4.1.1: Prime contractors contribution to increasing the value of private sector investment in the Cochabamba Tropics. 12/2003 - \$55 million; 11/2004 - \$58 million. **Achieved 9/2003 - To be measure in 12/2003**

INDICATOR 4.2 (NEW VERSION)

Mod. 6: Indicator 4.2: Non-farm employment in licit Chapare Agribusinesses

12/2002 - 550 jobs, 6/2003 - 575 jobs.

Mod. 17: Indicator 4.2: Non-farm jobs created in the in the licit agribusiness sector. 12/2003 - 700 jobs, 11/2004 - 750 jobs. **Achieved 9/2003 - 765 jobs**

Mod. 17: Sub-Indicator 4.2.1: Prime contractors contribution to increasing off-farm employment in agribusinesses in the Cochabamba Tropics. Not determined

DAI Qtr Report 9/2003 Sub-Indicator 4.2.1: Increased number of off-farm jobs in agricultural industries attributable to direct support from CONCADE- DAI. 12/2003 - 600 jobs; 11/2004 - 650 jobs. **Achieved 9/2003 – 605 jobs.**

ANNEX 3

INTERVIEWS CONDUCTED

YUNGAS

MUNICIPIO	FECHA	Actividad	Entrevistas	Areas	Contacto
C O R O I C O	23/Nov/03	Hrs. 9:30 Viaje a Corioco (2 horas de La Paz)	Horas 13:30 (1) Enrique Huanca – Alcalde (2)Patricio Silva- Presidente del Comité de Vigilancia.	Desarrollo Municipal, Infraestructura	Cel. 71965230 Dom. 2483167
			Hrs. 16:30 (3) Hna. Damon Nolan Directora Universidad Carmenpampa	Desarrollo Social-Género	Tel. 22137293
			Hrs. 16:10 (4) Marcelino Mamani Callisaya (5) Remedios Blanco	Desarrollo Productivo	Domicilio particular-Sector Capellanía
	25/Nov/03		Hrs. 15:45 (6) Oficial Mayor del Municipio de Coroico	Desarrollo Productivo	
			Hrs. 16:45 (7)Leticia Flores – Concejala en ejercicio	Desarrollo Municipal, desarrollo social-género	Domicilio particular en Coroico
			Hrs 18:00 (8) Miguelina Marin de Canaza Directiva de la Asociación de mujeres de Coroico.	Participación Comnitaria, Desarrollo Municipal y género	Domicilio particular Coroico
			Hrs. 15:00 (9) Bruce Brower Director del Proyecto MAPA	Desarrollo Productivo	Tel. 4525158-60
			Hrs 09:00 (10) Juana Pinell (Ex presidenta de la Mancomunidad de Los Yungas).	Desarrollo Municipal	Alcaldía 2895514 Cel. 715.32831

MUNICIPIO	FECHA	Actividad	Entrevistas	Areas	Contacto
			Hrs. 10:00 (11) Equipo técnico de la Mancomunidad de Municipios de Los Yungas de La Paz	Desarrollo Municipal	Telf. 2314923
C H U L U M A N I	24/Nov/03	Hrs. 07:45 Viaje a Chulumani (3 horas desde Coroico y retorno en el día)	Hrs.10: 50 (12) Franz Maita Federación de campesinos (13) Raymundo Rengel y Cesar Quispe Central agraria y federación de campesinos	Desarrollo Comunitario Participación comunitaria y género	Municipalida de Chulumani
			Hrs. 11:30 (14) Luis Jové – Encargado del Servicio de Caminos	Infraestructura	Domicilio particular – Chulumani
			Hrs. 12:30 (15) Dra, Blumen Pedraza – Alcaldesa (16) Elsa Cusicanqui Concejala en ejercicio de Chulumani.	Desarrollo Municipal, desarrollo social-género	010.2213.6120
C A R A N A V I	25/Nov/03	Coroico	Hrs. 09:00 (17) Felipe Kittelson, Concejal de Caranavi	Desarrollo Municipal, Infraestructura	Cel. 719.21221 010.2824.3518
			(18) Germán Espejo, Secretario Ejecutivo federación FAURCC (Caranavi)	Desarrollo alternativo en general	PDAR
			(19) Lidia Tirina de Fernández Comité Cívico Femenino	Desarrollo Social-Genero	Hotel Coroico
CORI-PATA	25/Nov/03	Coroico	Horas 10:30 (20) Juan Juvenal Katari – Alcalde	Desarrollo Productivo, Infraestructura	Alcaldía 2898662 Cel. 719.54178 Dom. 2216079

P A L O S B L A N C O S	26/Nov/03	Viaje a Palos Blancos (4 horas de Coroico)	Hrs. 14,30 (21) Buenaventura Michel, Alcalde de Palos Blancos (22) Jesús Rea Ortiz, Oficial Mayor de la Municipalidad de Palos Blancos	Desarrollo Municipal	2213.6716
			Hrs. 14:30 (23) Manuel Blanco Subalcalde Covendo (24) Daniel Muchia Cacique Moseten (25) Simar Chacon Subalcalde Santa Ana (26) Nicolás Ramírez sub alcalde El Sillar	Desarrollo Municipal y Comunitario, género	Alcaldía Palos Blancos
		Sapecho	Hrs. 18:00 (27) Directorio en pleno del PIAF-EI Ceibo (28) Felipe Cancari – Director Ejecutivo PIAF-EI ceibo	Desarrollo Productivo,	2213.6027
	15/Dic/03	La Paz	(29) Padre Roberto Heckentofler Director Proyecto OSCAR	Desarrollo Productivo, Infraestructura	PDAR
LA PAZ	27/Nov/03	La Paz	Hrs. 11:00 (30) Glenn Blumhorst- Representante en Bolivia ACDI_VOCA (31) Treena Bishop Davis SubDirectora –ACDI-VOCA	Desarrollo Productivo, Infraestructura , participación comunitaria y género	2793206
			Viaje a Chulumani Luis Guzmán – Productor de Base	Organización: ADEP-COCA-REGIONAL	
	27/Nov/03	Comunidad Entre Rios	Ing. Felipe Quispe – Productor de Te Ejecución: MAPA		
		Comunidad Entre Rios	Entrevistado: Anónimo		
	28/Nov/03	Colonia Bolinda	Emilio Quispe Programa de Te		
		Colonia Bolinda	Eleuterio Choque – Productor Proyecto MAPA Produce Café		
			Planta Procesadora de Te MAPA Arturo Valdés – Administrador Sergio Sánchez – Encargado de Planta		
		Comunidad Santa Fe	Justo German Arteaga ACDI VOCA		
		Santa Fe	Edwin Paco y David Alejo – Productores Beneficiarios ACDI VOCA – Proyecto Productivo		

	29/Nov/03		Planta Procesadora de Café Ecológico AGRICAP, ANDYTRADE, MAPA Ing. Rodrigo Burgoa, Gerente Regional	
			Benito Cocarico – Oficial Mayor Federación de Campesinos de Nor-Yungas	
P A L O S B L A N C O S	26/Nov/03		Ing. Dardo Rocha – Residente S.N.C. Proyecto Mejoramiento de Caminos Vecinales	
			Maria Nina Jarandilla – Directora Hospital Gral. Alto Beni	
		Sapecho	Edgar Choque, Productor Brecha A. Sapecho Produce: Naranjas, Mandarinas, Platanos de freir y Banana, 4 hectareas de Citricos, Cacao, 0.5 Ha. 7 clones	
	26/Nov/03	Sapecho	Central de Cooperativas El Ceibo Placido Marquez, Presidente	
		Sapecho	Proyecto Rehabilitación y modernizacion de la producción de Banano organico en el alto Beni para exportacion	
	27/Nov/03	Popoy	Nestor Madani – Productor	
		Naranjani	Antonia Machuca – Secretaria de Relaciones de la Comunidad	
		San Miguel de Huachi	Carlos Antezana – Secretario de Actas de la Central Agraria de San Miguel de Huachi Gregorio Nao Quenta – Secretario de actas Roberto Machuca Cocarico – Secretario General de la Comunidad El Triunfo Armando Magueno – Secretario General Comunidad Naranjani	
			INGELEC – Empresa Constructora Freddy Gomez – Administrador del Proyecto	
			PRODEN – Entidad Financiera Rural Inf. Lindon Iturri P.	
		Comunidad Caserio	Saul Mamani	

COCHABAMBA AND CHAPARE

MUNICIPIO	FECHA	Actividad	Entrevistas	Areas	Contacto
C O C H A B A M B A	1/Dic/03	Cochabamba	Hrs. 12:00 Jorge Cabrera Walter Requena Proyecto AD/Bol 00E027 (OIT)	Desarrollo Productivo y Comunitario, género	4136229
			Hrs. 18:00 Steven Huffstufar Christopher Seeley Charles Foster	Desarrollo Alternativo en general	4251655 4252096
			Hrs. 19:30 César Padilla Axel Jové Asociación de Municipios de Cochabamba	Desarrollo Alternativo en general, Desarrollo Municipal	Cel.707.16023 4509538
	2/Dic/03	Cochabamba	Hrs. 8:30 Raúl Rico PDAR	Desarrollo Alternativo en general	4487001-02-03
	7/Dic/03	Cochabamba	Hrs. 9:30 Arturo Murillo Presidente de la Asociación de Hoteleros del Trópico de Cochabamba	Desarrollo Productivo	Cel. 722.09787
	8/Dic/03	Cochabamba	Hrs. 8:30 DAI/CONCADE División de género	Desarrollo Social- Genero	4251655 4252096
	9/Dic/03	Cochabamba	Hrs. 10:00 PDAR Reunión general con Director DA/SOT, Viceministro de Desarrollo Alternativo	Desarrollo Alternativo en general	4487001-02-03
			Hrs. 14:30 Arq. Humberto Vargas Secretario General de la Prefectura de Cochabamba	Desarrollo Alternativo en general	4235255 4228100

MUNICIPIO	FECHA	Actividad	Entrevistas	Areas	Contacto
V I L L A T U N A R I	3/Dic/03	Hrs. 09:30 Viaje a Villa Tunari	Hrs.15:45 Máximo Jesús Mamani Warnes Ramos Filiberto Sánchez Edgar Arispe Comité de Vigilancia	Desarrollo y participación Comunitaria, género	Municipalidad de Villa Tunari
			Hrs. 17:00 María Flores Federación de Mujeres campesinas del Trópico	Participación comunitaria -Genero	Municipalidad de Villa Tunari
	4/Dic/03	Villa Tunari	Hrs. 09:00 Delfín Olivera Félix Mostajo Concejo Municipal de Villa Tunari	Desarrollo Municipal, Part. Comunitaria y género	Municipalidad de Villa Tunari
			Hrs. 10:00 Felipe Cáceres Alcalde Municipal de Villa Tunari Presidente de la Mancomunidad de Municipios del Trópico de Cochabamba.	Desarrollo Municipal	Municipalidad de Villa Tunari
			Hrs. 11:20 Ing. Oscar Olguín Oscar Sotomayor Gerente y Presidente de AMVI	Infraestructura	Cel. 717.29793
	5/Dic/03	Villa Tunari	Hrs. 9:00 Ing. Cimar Ortega Arq. Willams Villalpando PROSIN	Infraestructura Desarrollo Social	Cel. 715.41634
			Hrs. 12:15 Hilarión Yapura Corsino Mendez Silvia Ari AISANPE Asoc. De productores -Curso de Corte y Confección - OIT	Desarrollo productivo, Participación comunitaria y género	OIT
C H I M O R É	2/Dic/03	Cochabamba	rs. 18:00 Epifanio Cruz Alcalde	Desarrollo Municipal	441.36218
	4/Dic/03	Hrs. 13:30 Viaje a Chimoré	Hrs. 14:45 Concejo Municipal en pleno	Desarrollo Municipal, Infraestructura	Cel. 719.21221 010.2824.3518
			Hrs. 14:45 Felix Ferrufino y Eusebio Rubias Comité de Vigilancia	Desarrollo alternativo y participación comunitaria, género	PDAR

MUNICIPIO	FECHA	Actividad	Entrevistas	Areas	Contacto
		Hrs. 15:55	Edgar Arispe Conrado Gonzales Miguel Valentin Sevilla Directivos de UAAPRAMTROC	Desarrollo Productivo participación comunitaria y Genero	OIT
		Hs 18:00	Bartolina Perez UNAGRUP	Participación comunitaria, género Des. alternativo	OIT
	5/Dic/03	Hrs. 9:45 Viaje a Chimore	Gualberto Grágeda Marco Antonio Rada Asociación de Comunicadores Sociales del Trópico de Cochabamba	Desarrollo alternativo en general	OIT
TIRA- QUE SHINA- HOTA	5/Dic/03	Shinahota	Hrs. 15:00 Cabildo de planificación con Bloqueo Turístico con asistencia de Viceministros	Desarrollo alternativo en general	PDAR
	6/Dic/03	Hrs. 8:00 Viaje a Shinahota	Horas 9:15 Rimer Agreda Agente Cantonal- SubAlcalde de Shinahota	Desarrollo Municipal	441.36409 Cel. 717.17820
PUER- TO VILLA- RROEL	9/Dic/03	Cochabamba	Hrs. 16:30 Agapito Olivera – Alcalde Enrique Quiróz . Presidente C.M. Abdón Rojas -.Concejal Ruperto Rivero . Concejal Emilio Quiñones – Pres. C.V. Alberto Merlos . Pres. C. Cívico.	Desarrollo Municipal	441.36281 Cel. 717.00036

MUNICIPIO	FECHA	Actividad	Entrevistas	Areas	Contacto
C O C H A B A M B A Y C H A P A R E	2/Dic/03		Contacto: Gregory Minnick Institución: C23 Actividad: Proyecto JATUN SACH'A	Desarrollo Alternativo	
			Contacto: Raúl Rico - Director Regional CBB Institución: PDAR	Desarrollo Alternativo en general	448-7001 - 02-03 413-6509
	3/Dic/03	Villa Tunari	Contacto: Sixto Sandoval Director de Asociación de Productores.	Desarrollo Alternativo Agrícola (Achiote, Palmito, Yuca y Coca)	Proyecto AD/BOL/00 E07
	3/Dic/03		Contacto: Felix Orellano – Presidente C23-AISANPE	Desarrollo Alternativo Agrícola (Café, Achiote, Camu Camu, Citricos)	Proyecto AD/BOL/00 E07
	4/Dic/03		Contacto: Administrador de la Finca Macondo Institución: IND. LA SELVA DE JAVIER ENCINAS	Desarrollo Alternativo Agrícola (Camu Camu, Banano, Palmito)	
	4/Dic/03		Contacto: Javier Sánchez- Coordinador AGRO-FORESTERIA UNAFOR	Desarrollo Alternativo Agrícola (Agro- Foresteria)	
	4/Dic/03		Contacto: Martín Domínguez- Productor, Félix Flores- Administrador, Manuel Maldonado-Com. Vigilancia	Desarrollo Alternativo Agrícola (Achiote, Café, Camu Camu, Cacao, Goma, Arboles)	
	4/Dic/03	San Pedro	Contacto: Celso Ugarte-Secr, Gral. Sindicato, varios dirigentes San Pedro Institución: C23-AISANPE	Desarrollo Alternativo Agrícola (Achiote, Cacao)	Proyecto AD/BOL/00 E07
	4/Dic/03	Chipiriri	Contacto: Varios productores, C23- AISANPE	Desarrollo Alternativo Agrícola (Achiote, Cacao)	Proyecto AD/BOL/00 E07
	4/12/03		Contacto: Varios Productores, C23-APROL Actividad: Achiote, Cacao	Desarrollo Alternativo Agrícola (Achiote, Cacao)	
	4/12/03	Shinahota	Contacto: Leonardo Yapura- Vice-Presidente , Sixto Antezana- Secr. De Actas, Varios Apicultores	Desarrollo Alternativo Agrícola (Miel)	
	4/12/03	Ivirgarzama	Contacto: Agustin Castillo- Productor, C23-ASIPALIT	Desarrollo Alternativo Agrícola	
	4/12/03	Chimore	Contacto: Roberto Miranda, Vice-Presidente, Felix Orellano-Tesorero, German Salinas-Tecnico C23, Macedonio Felipe, Tecnico UPATC, Pedro Quipe, Socio	Desarrollo Alternativo	

MUNICIPIO	FECHA	Actividad	Entrevistas	Areas	Contacto
COCHA BAMBA Y CHAPAE_ RE C O C H A A B A M B A Y C H A P A R E	4/Dic/03	Ivirgarzama	Contacto: Finca MACONDO, Administrador	Desarrollo Alternativo Agricultura (Camu Camu, Café, Palmito)	
	4/Dic/03		Contacto: Romualda Turpio presidenta Institucion: ASPROI-GU	Desarrollo Alternativo Agricultura (Flores y Miel)	
	4/Dic/03		Contacto: Institucion: 02 de Marzo Actividad: Ganadería, Palmito	Desarrollo Alternativo Agricultura (Ganadería, Palmito)	
			Contacto: Hermogenes,- Ganadero, Mario Vilar- Lechero, Daniel Morales- Lechero Institución: U. DE GANADEROS UNADAPLE Y COOP AGROPECUARIA CHOE LTDA	Desarrollo Alternativo Pecuario (Ganadería de lácteos y engorde)	
	5/Dic/03		Contacto: Gerardo Rodríguez-Propietario Institución: Agronegocios Tropicales "Jausi"	Desarrollo Alternativo (Camu Camu, Palmito)	
			Contacto: Rene Bustamante, Jefe de Operaciones Institución: ENCOPAIVI	Desarrollo Alternativo (Planta procesadora de Maracuya)	
	5/Dic/03		Contacto: Karen Araoz, Julio Santos y Juan Muñoz, Juan Ernesto Pino, Carla Maraos Institución: BANABOL	Desarrollo Alternativo (Empacadora y exportadora de Bananas)	
			Contacto: Pastor Zambrana- Jefe de Operaciones Institución: CHAPARE EXPORTA	Desarrollo Alternativo (Empacadora y procesadora de Bananas)	
			Contacto: Ismael Calle- Presidente Institución: ASOCIACION SAN LUIS	Desarrollo Alternativo Agrícola (Productores de Bananas)	
	6/Dic/03		Contacto: Sr. Lopez Gte. Gral. Institución: FABOPAL	Desarrollo Alternativo (Envasadora y exportadora de Palmito)	
	6/Dic/03		Contacto: Edgar Arispe, Ex Presidente de UNABANA	Desarrollo Alternativo en General (Banana)	
	6/Dic/03	Chimore	Contacto: Miguel Valentin Sevilla, Coordinador Organizacional, Asoc. AIA Bananera de Puerto Villarroel	Desarrollo Alternativo Agrícola (Banana)	
			Contacto: Daniel Marther, SHINAOTA DE UAPRANUI	Desarrollo Alternativo (Banana)	
			Contacto: Catalino Colque de CHIMORE UNSAVECAID y AIPLAN	Desarrollo Alternativo (Banana)	
	6/Dic/03		Contacto: Conrado Gonzales Productor palmitero de la 5ta sección	Desarrollo alternativo (Palmito)	

MUNICIPIO	FECHA	Actividad	Entrevistas	Areas	Contacto
			Contacto: Gregorio Cossio Kay RAICES Y GENGIBRE	Desarrollo alternativo Agrícola (Raíces y Jengibre)	
			Contacto: Edgar Santos Guapas	Desarrollo alternativo	
		Chimoré	Contacto: Bernardino Zurita de Gravado Presidente de UAAPANTROC	Desarrollo alternativo (Todos los productos)	
			Contacto: Miguel Valentin UAAPANTROC	Desarrollo alternativo (Todos los productos)	
			Contacto: Mario Patiño Director de UAAPANTROC	Desarrollo alternativo (Todos los productos)	
			Contacto: Francisco Flores de UNASUCRE DE 1½ año de vida	Desarrollo alternativo	
			Contacto: Bartolina Pérez Coordinadora de Mujeres	Desarrollo alternativo (Todos los productos)	
		Shinahota	Contacto: LAUCA – varios productores	Desarrollo Alternativo	
	8/12/03	Cochabamba	Contacto: Enrique Lujan Álvarez Institución: INDATROP	Desarrollo alternativo (Planta Envasadora Exportadora de Palmito)	
			Contacto: Bruce Brower – Director MAPA	Desarrollo Alternativo General	717-43048 289-5510 212-1555
			Contacto: Juan Carlos Ugalde – Especialista en Palmito	Desarrollo Alternativo (Palmito)	
	9/Dic/03		Contacto: Antonio Ballejos – Director Regional SENESAG	Desarrollo Alternativo (Ganadería)	
		Cochabamba	Contacto: Marcelo Vargas Gerente General Institución: Cámara de Industrias de Cochabamba Actividad: CÁMARA INDUSTRIAL	Desarrollo económico	
	10/12/03		Contacto: Javier y Sergio Tejada Propietarios Institución: INDUSTRIAS DE LA SELVA	Desarrollo económico (Procesadora de Palmito y frutas)	
	11/12/03	Villa Tunari	Contacto: Ackbard Jalil Institución: DAE-V TUNARI	Desarrollo alternativo (Hortalizas)	
			Contacto: Ing David La Fuente Jefe Residente Institución: CAMINOS VECINALES V TUNARI	Desarrollo alternativo en general (Construcción de Caminos)	717-35599 717-29793
			Contacto: Nelson Ríos – Gerente General Institución: UNABANA	Desarrollo alternativo (Bananas)	
	11/12/03		Contacto: Victor Montero, Sandra Hinojosa, Rudy	Desarrollo alternativo Agrícola (Piña,	

MUNICIPIO	FECHA	Actividad	Entrevistas	Areas	Contacto
			Crespo Institución: UNADESAIL, UNION DE VARIOS- PIMIENTA NEGRA	pimienta)	
			Contacto: Esequiel Hervas Institución: Productor Piñero y Pte. De UNADESAIL	Desarrollo alternativo agrícola (Pimienta negra)	
			Contacto: Mery Ramos y Maria Teresa Fernandez - Administradora Institución: UNAPIÑA	Desarrollo alternativo (Piña)	
			De la Selva SRL. Empresa Procesadora de Frutas Javier Tejada Sebastián, Gerente Propietario	CONCADE	
			AISANPE – Asociación Integral San Pedro Dirigentes del Sindicato Celso Ugarte – Secretario Gral. APROI – Asociación de Productores Integrales de Chipiriri 30 participantes de la reunión	CONCADE	
	4/Dic/03		Ing. Javier Sanchez Proy. C23, UNDCP – FAO	CONCADE	
			Marcelo Quiroga Santa Cruz Entrevista con Productores	CONCADE	
	5/Dic/03		ASBA – Asociación de Bananeros de San Luis Ismael Calle – Presidente	CONCADE	

ANNEX 4

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BOLIVIA: The Development Challenge

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ANNEX 5

LIST OF ACRONYMS

INTERNATIONAL AND NATIONAL ACRONYMS

ACDI	Agricultural Cooperative Development International
ACOBOL	Association of Council Women of Bolivia
ACSSD	Civil and Union Authorities of Senda D
AD/BOL/00/07	UNDCP/ILO/USAID Training and Micro-enterprise Development Program
ADYLAP	Alliance of Integrated Development of the Yungas and North of La Paz (formerly PDAR-Yungas)
AECI	Spanish Agency for Internation Cooperation
AIC	Activity Implementation committee
AMAP	Accelerating Microenterprise Advancement Program
AMDECO	Association of Cochabamba Municipalities
AMPNV	Women´s Association of Piquendo and Nueva Vida (Yungas)
AMU	Activity Management Unit
APHIS	Animal and Plant Health Inspection Service (U.S. Dept. of Agriculture)
ATPDEA	Andean Trade Promotion and Drug Eradication Act
ATTU	Agriculture and Technology Transfer Unit
BDS	Business Development Services
BTBC	Bolivian Trade and Business Competitiveness
CAF	Andean Development Fund
CAIB	
CANEB	Bolivian National Camera of Exporters
CAT-CB	Camera Agropecuario del Tropico de Cochabamba
CCVV	Tertiary Road Department
CDVs	Citizen Oversight Committees
CECATUR	Centro de Capacitación Turística
CECI	Canadian Center for Studies and International Cooperation (Yungas)
CENCOOP	Association of Coffee Cooperatives
CEPAL	Centro Económica y Política para América Latina
CFA	Coca Free Areas
CFR	Code of Federal Regulations
CGMP	Cmbination of Municipal Planning/Management Practices (DDCP)
CIAT	International Center for Topical Agriculture
CIDOB	Confederación de Pueblos Indigenas de Bolivia
CIDRE	Centro de Investigación y Desarrollo Regional
CITECOM	(Something to do with GIS)
CLIN:	Contract Line Item Number
CN/SOT	Counter Narcotics Strategic Objectives Team

CODE	Conozca de Empresa
CONALTID	National Council Against Illegal Drug Traffic
CONCADE	Counter-Narcotics Consolidation Alternative Development Efforts
COP	Chief of Party
CPG	Counter-Narcotics Policy Group
CPITCO	Coordinadora de Pueblos Indigeas del Tropico de Cochabamba
CRDP	Chapare Regional Development Project
CRECER	Yungas Health Service NGO
CSO	Civil Society Organization
CT	Co-participation Funds
CV	Municipal Oversight Committee
CY	Current Year
DA	Development Assistance
DDCP	Democratic Development and Citizen Participation Project
DEA	Drug Enforcement Agency
DEC	Digital Earth Consulting (a US firm)
DEMOSOT	Democracy Strategic Objective Team
DFID	British Development Aid Agency
DIRECO	Dirección Nacional de Reconversión Agrícola
DUF	Centralized National Cooperation Funds Office
EBRP	Bolivian Strategy For The Reduction Of Poverty
EDA	Municipal Level Meetings
EDC	Meetings for Decision Making
EMISBA	Empresa Municipal Integralde Servicios Basicas
ESF	Economic Support Fund
EU	European Union
FAA	Foreign assistance Act
FAM	Federation of Municipal Associations
FAO	Food Aid Organization
FAP	Project Support Fund Administered By DDCP
FCC:	Fertility Capability Classification
FCDA	Alternative Development Community fund
FDSP	Fund for Social Development and Productivity
FHIA	Fundacion Hondureña para la Investifación Agrícola
FIMAC:	Organizational Strengthening of Institutions, Environment, Training and Infrastructure
FMO	USAID Financial Management Office
FMU	Financial Management Unit
FNDR	National Fund for Regional Development
FOMRENA	Regional Fund for Appropriate Technologies for Sustainable Management of Natural Resources
FONADAL	National Fund for Alternative Development
FPS	Productive and Social Investment Fund

GECC	Special Group for Coca Control
GIS	Geographic Information System
GOB	Government of Bolivia
GSI:	Groups with Similar Interests in Cropping
GTZ	German Development Agency
HACCP:	Hazard Analysis Critical Control Points
HIPC	Highly Indebted Poor Countries
IADI	Irupana Food Industry (Industrias Alimenticias de Irupana)
IBTA	Bolivian Institute of Agricultural Technology
IBTEN	Bolivian Institute for Nuclear Science and Technology
IDB	Inter-American Development Bank
ILO (OIT)	International Labor Organization
INE	National Statistics Institute
INIBAP	International Network for the Improvement of Banana and Plantain
INIBAP	International Network for the Improvement of Banana and Plantain
INL	International Narcotics and Law Enforcement
IPM	Integrated Pest Management
IQC	Indefinite Quantity Contract
IR	Intermediate Result.
IRR	Internal Rates of Return
ITAC	Instituto Tecnológico Agropecuario Canadá
ITU	Information Technology Unit
JCP	Youth Against Poverty
JICA	Japanese International Cooperation Agency
LAC	Latin America and the Caribbean
LAC	Latin America and the Caribbean (USAID)
LAN	Local Area Network
LOE	Level of Effort
LTTA:	Long Term Technical Assistance
MAPA	Market Access and Poverty Alleviation Project
MAS	Socialist Movement Party
MECD	Ministry of Education, Culture and Sports
MEPPI:	Marketing, Production and Investment Promotion Unit
MERCOSUR:	Southern Cone Common Market
MGMP	Model of Participative Municipal Management
MIST	Military Information Support Team
MNS	Ministry for Sustainable Development
MOU	Management Operation Unit
MU:	Management Unit
NAS	Narcotics Affairs Section (US Embassy)
NCSU	North Carolina State University
NGO	Non-Government Organization

NPV	Net Present Value
NRECA	National Rural Electrification Cooperative Association
NSGT	New System for Agriculture Technology Transfer
NSGT	New System for Agriculture Technology Transfer
NTE	Non-Traditional Exports
OAS	Organization of American States
OTB	Base-level Territorial Organizations
PACD	Project Completion Assistance Date
PAE	
PAS	Public Affairs Section (USG)
PDAR	Regional Alternative Development Program
PDCR	Regional Community Development Project
PDM	Municipal Development Plan
PLA	Product Line Assessment
PMIS	Program Management Information System
PMP	Performance Monitoring Plan
PPL	Popular Participation Law
PRAEDAC	Programa de Apoyo a la Estrategia de Desarrollo Alternativo en el Chapare
PRF	Plan for Debt Restructuring
PROMIC	Program for Integrated Watershed Management
PVO	Private Voluntary Organization
QPR	Quarterly Progress Report
R-4	Results Review and Resource Request
RENACC	Red Nacional de Comercialización Comunitaria
RFP	Request for Proposals
RRA:	Rapid Rural Appraisal
SCAA	Specialty Coffee Association of America
SCN	National Road Services
SERVIR	Health Services NGO -Yungas
STTA	Short Term Technical Assistance
TAMIS:	Technical and Administrative Management Information System
TCO	Tax-exempt indigenous communities
TGN	National Treasury
TOR/TDR	Terms of Reference (Términos de Referencia)
UAAPRAMTROC	Union of Agricultural and Related Associations In the Cochabamba Topics
UAP	United Agricultural Products (an institution)
UMOPAR	Special Drug Control Police
UMSS	Univesidad Mayor de San Simon
UNDCP	United Nations International Drug Control Programme
UNDP	United Nations Development Program
UNODCCP	United Nations Office for Drug Control and Crime Prevention
USAID/A.I.D.	United States Agency for International Developement

USG	United States Government
VDA	Vice Ministry of Alternative Development
VIMDESALT	Vice-Minister for Alternative Development
VOCA	Volunteers in Overseas Cooperative Assistance
WB	World Bank
WIDTECH:	Women in Development Technical Assistance Project
WTO	World Trade Organization
YCADF	Yungas Community Alternative Development Fund
YDI	Yungas Development Initiative
ZCA	Zero Coca Agreement